## Dear Sir/Madam,

Attached is Federated Farmers' submission on Variation 3 of the proposed LWRP.

Yours sincerely,

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FARMERS OF NEW ZEALAND



## Federated Farmers of New Zealand

Submission to Environment Canterbury on Proposed Variation 3 to the Proposed Canterbury Land and Water Regional Plan – Section 15 – Waitaki and South Coastal Canterbury

25 May 2015





# SUBMISSION ON PROPOSED VARIATION 3 TO THE PROPOSED CANTERBURY LAND AND WATER REGIONAL PLAN

## 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 3 to the Proposed Canterbury Land and Water Regional Plan – Section 15 – Waitaki and South Coastal Canterbury.

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.

## Introduction

- 1. Federated Farmers thanks Environment Canterbury for the opportunity to submit on Proposed Variation 3 to the Proposed Canterbury Land and Water Regional Plan.
- 2. 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.
- 3. 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.
- 4. 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.
- 5. Federated Farmers' membership covers a broad spectrum of farming systems. We have sought the views of our members, policy staff and other primary sector groups while preparing the following submission on Proposed Variation 3

## **Nutrient Management Provisions of Variation 3**

Before making detailed submissions on the specific provisions in Variation 3, Federated Farmers wishes to make an over-arching submission about some major issues regarding incorporation of the N Allocation framework agreed by the Nitrogen Allocation Reference Group, and the extent to which Variation 3 now delivers on the intentions of that group.

## Nitrogen Allocation Reference Group (NARG)

Variation 3 applies to the area known as Waitaki and South Coastal Canterbury. As part of the process of setting water quality limits for that area, and following a consultation process, the Lower Waitaki South Coastal Canterbury Zone Committee developed draft N load limits and a draft N allocation framework and published these in a draft addendum to its Zone Implementation Programme (ZIP Addendum).

A large number of farmers protested to the Zone Committee about the process and timeframe for developing the ZIP Addendum, and about the inequity between high and low N emitters in the N allocation framework.

The Zone Committee and Environment Canterbury responded by setting aside the original proposal for N allocation and enabling the establishment of a Nitrogen Allocation Reference Group (NARG) to work towards reaching consensus on a nitrogen allocation framework.

The group was established from the local community and included a broad range of farming interests. The group was able to work through its competing interests and arrive at a consensus position, referred to here as the NARG Allocation Framework. This position is attached as Appendix 1.

## Consensus position on N allocation

The NARG Allocation Framework contains flexibility caps for low N dischargers, to enable them a degree of flexibility to change land use in response to market and physical conditions, and maximum caps based on soil type, particularly focused on high N emitters, to be achieved over time to improve the performance of high emitting activities.

## Concerns about Variation 3 in its current form

Federated Farmers has concerns about Proposed Variation 3, particularly its incorporation of the NARG Allocation Framework and the extent to which it now delivers on the intentions of the NARG. Specific concerns include:

- The plan does not take account of updated soil information (correction of an error in S-map) which substantially affects the appropriateness/achievability of numbers in the plan, particularly the maximum caps. There are also issues with how N discharge has been modelled for some soils (e.g. poorly drained and poorly drained light) compared with how it will be estimated on-farm using Overseer.
- The plan is inconsistent with the ZIP Addendum and the Section 32 Report particularly with regard to its lack of ability to accommodate new information, including new versions of Overseer and updates of good management practice. The ZIP Addendum envisaged a 'live document'.
- The combined effect of soil mapping errors, modelling issues and lack of ability to adjust to new versions of Overseer mean that the Maximum caps specified in the plan may be unachievable and that the flexibility caps may not allow effective flexibility for low N dischargers.

As a result, the proposed plan, in its current form, is based on erroneous data, and does not give effect to the intentions of the N Allocation Reference Group or to key aspects of the ZIP Addendum.

Therefore, Federated Farmers opposes the nutrient management provisions of Variation 3 including Policies 15.4.1 - 15.4.17, Rules 15.5.1 - 15.5.14 and Tables 15 (m) - 15 (p).

## Decisions sought

- 1) Amend Variation 3 to give effect to the NARG recommendations and to the ZIP Addendum.
- 2) Replace maximum cap numbers in Variation 3 with relevant good management practice benchmark N loss numbers from the MGM project.

- 3) Amend Variation 3 to enable N Loads, flexibility caps and maximum caps to be adjusted to match new versions of Overseer i.e. to retain their purpose, consistent with the intentions of the NARG recommendations and the ZIP Addendum.
- 4) Amend Variation 3 to correct modelling errors, to accommodate S-map updates and align modeled estimates with on-farm estimates of N loss.
- 5) Align Variation 3 with the Nutrient Management Variation (which will incorporate MGM N loss benchmarks and good management practices into the LWRP) to enable the incorporation of MGM benchmarks and practices into Variation 3.
- 6) Hold a meeting in accordance with section 8AA of the 1<sup>st</sup> Schedule of the RMA for the purpose of clarifying and facilitating resolution of these matters, prior to hearing.

## Submissions on Specific Provisions of Variation 3

## 15A South Coastal Canterbury Area (p 15-1 – 15-3)

## Paragraph 2 on page 15-2

## Submission

Oppose in part.

The second paragraph on page 15-2 states that *in-catchment water use is at or beyond sustainable limits for both surface and groundwater and water quality has declined*. This is true for the Waihao/Wainono catchment but not for other areas.

## **Decision sought**

Amend the paragraph to accurately summarize the balance between land use, water flow and allocation, and water quality in the three sets of catchments covered by Variation 3.

## Paragraph 2 on page 15-3

## Submission

Oppose in part.

The ZIP Addendum: South Coastal Canterbury (based on scenario 2b) contains clear recommendations about water and nutrient management in the area covered by the Morven Drain in the south to the Otaio River catchment in the north. These have not always been well articulated in the current draft of variation 3. For example, the ZIP Addendum placed a lot of emphasis on the achievement of good management practice (GMP) as defined by the Matrix of Good Management project. This emphasis is not carried through to draft Variation 3 which places more emphasis on adherence to nitrogen baselines. Federated Farmers supports the approach taken by the ZIP Addendum in this regard.

## **Decision sought**

Re-write to achieve consistency with the ZIP Addendum.

## Definitions

## New definition of Surface drain

## Submission

A definition of drains is required in the context of Policy 15.4.1. The definition needs to exclude small drains which are not likely to have a significant impact on water quality and aquatic habitat and where the cost of exclusion out-weighs the benefit gained. At minimum, sub-surface drains, storm-water swales, or other artificial watercourses that are ephemeral in nature should be excluded.

## **Decision sought**

Include a definition of surface drain, as follows:

Surface drain: includes any open channel, artificial watercourse constructed for the purpose of land drainage, excluding storm-water swales, or other artificial watercourses that are ephemeral in nature.

## Definition of Nutrient user group (p 15-4)

Submission

Support.

Federated Farmers supports the definition of *Nutrient User Group*, in the context of Rule 15.5.9. It must be clear that nutrient user groups are able to manage nutrients by averaging discharge both across entire properties and between properties.

## **Decision sought**

Retain the definition of *Nutient User Group* as notified.

## Policies

Managing land-use to maintain or improve water quality

## Policy 15.4.1 (p 15-5)

## Submission

Support in part.

Policy 15.4.1 requires the exclusion of extensively farmed stock from drains. A definition of drains is required, to exclude small drains which are not likely to have a significant impact on water quality and aquatic habitat and where the cost of exclusion out-weighs the benefit gained. At minimum, sub-surface drains, storm-water swales, or other artificial watercourses that are ephemeral in nature should be excluded.

## **Decision sought**

Include a definition of surface drains as requested above.

## Policy 15.4.2 (p 15-5)

#### Submission

Support in part.

The water quality outcomes or limits for the Northern Streams, Waihao-Wainono and Morven-Sinclairs areas are set out in Tables 15(a), 15(b), 15(c), 15(d), and 15(e). The nitrogen load limits specified in Table 15(o) and 15(p) contribute to the achievement of some, but not all, of those outcomes. Therefore, the policy overstates the benefit of nitrogen load limits in "achieving" the water quality outcomes, and should be re-written to reflect that.

In addition, the policy should include a commitment to review the load limits in Tables 15(o) and 15(p) when the MGM project is complete and when new versions of Overseer are issued.

## **Decision sought**

Amend Policy 15.4.2, as follows:

<u>Contribute to Aachieveing</u> the water quality outcomes for the Northern Streams Area, Waihao-Wainono Area and the Morven Sinclairs Area by not exceeding the nitrogen load limits in Tables 15(o) and 15(p). <u>The load limits in Tables 15(o) and 15(p) will be reviewed when the MGM project</u> is complete and when new versions of Overseer are issued.

## Policy 15.4.3 (p 15-5)

#### Submission

Policy 15.4.3 refers to "avoiding the movement of nitrogen" from the Plains Area to the Hills areas. It is unclear what the intention of this policy is. Nitrogen moves naturally (including between properties) in ground and surface water. It appears that the policy is referring to the transfer of nitrogen loss *allowance* between properties. However this is not clear because the wording used leaves open a number of interpretations. If the intent is to limit the transfer and sharing of nitrogen loss entitlement between properties, users and user groups, it would be best to state that directly and avoid using the term "movement of nitrogen".

## Decision sought

The policy should be reworded as follows:

Meet the nitrogen load limits for the Northern Streams, Waihao-Wainono and Morven-Sinclairs Plains and Hill Areas by ensuring that nitrogen management occurs within each of those areas to meet the catchment loads that apply to each respective area.

## Policy 15.4.4 (p 15-5)

## Submission

Support in part.

Policy 15.4.4 (a) states that all farming activities are to operate at *good management practice or better*. Good management practice will be defined by the benchmarks and practices defined by the Matrix of Good Management project. These will be available before Variation 3 goes to hearing and should be referred to directly in this policy and throughout the variation. Good management practice (as defined by the MGM project benchmarks) will obviously change over time. This needs to be acknowledged and a mechanism for adjusting the benchmarks needs to be established.

Policy 15.4.4 (b) states that water quality will be improved by the *preparation and implementation* of a *Farm Environment Plan for the use of land for any farming activity subject to a resource consent.* FEP's are a useful mechanism for addressing practices which may result in sediment/P loss and could be included in the plans as permitted activity conditions in situations where it is not appropriate/desirable to require a consent application.

## **Decision sought**

Amend part (a), as follows:

(a) All farming activities to operate at good management practice or better, as defined by the benchmarks and practices defined by the Matrix of Good Management Project. These benchmarks and practices will change, as appropriate, with the development of good management practice over time.

Amend part (b) to enable FEP's to be used as a permitted activity condition where it is not appropriate/desirable to require a consent application.

## Policy 15.4.5 (p 15-5)

## Submission

Support in part.

Policy 15.4.5 (a) requires compliance with the maximum caps (except those on extremely light soils) by 2030. This is an extension of the 2025 deadline agreed by the NARG group. The agreement reached by the NARG was reached after much discussion among the diverse interest groups involved and, as a matter of principle, Federated Farmers supports it.

## Decision sought

Amend Policy 15.4.5 (a) to be consistent with the NARG framework, in particular to require existing farming activities to comply with the maximum cap by 2025.

## Policy 15.4.6 (p 15-5)

## Submission

Support.

Policy 15.4.6 allows for the continued operation of existing farming activities on extremely light soils provided the activity is operated in accordance with a FEP that sets out actions to ensure long-term compliance with the maximum cap. Federated Farmers supports this approach.

## Decision sought

Retain Policy 15.4.5, as notified.

## Policies 15.4.5, 15.4.6, 15.4.7 and 15.4.8 (p 15-5 - 15-6)

## Submission

Support in part.

Policies 15.4.5, 15.4.6, 15.4.7 and 15.4.8 refer to maximum caps and flexibility caps. The relevance of these is obviously closely linked with Overseer estimates of N discharge from

individual properties. Therefore, there needs to be an acknowledgement that the caps need to be indexed in some way to the latest version of Overseer, to ensure that there are not effective changes in the caps with each new version of Overseer.

## **Decision sought**

Make provision for the amendment of load targets/limits and relevant thresholds, including flexibility caps and maximum caps, as new versions of Overseer are released, to ensure that those loads, caps and thresholds continue to serve their intended purpose. This should be facilitated by a new policy designed to achieve this.

## Policy 15.4.9 (p 15-6)

## Submission

Support in part.

Reference to "economic development" is too broad. The policy should be more explicit and refer to intensification.

## **Decision sought**

Reword as follows:

Manage nitrogen losses within the Morven-Sinclairs Area while providing for economic development <u>flexibility for intensification of farming activities</u> by:

## **Nutrient User Groups and Farming Enterprises**

## Policy 15.4.10 (p 15-6)

Submission Support.

**Decision sought** Retain as notified.

## Policy 15.4.11 (p 15-6)

Submission Support.

Decision sought Retain as notified.

## Policy 15.4.12 (p 15-6)

Submission Oppose in part.

Maintaining water quality relates to much more than nitrogen loss. Reference to "restricting movement of nitrogen between properties" is confusing as nitrogen moves naturally between

properties in ground and surface water. It appears that the policy is referring to the transfer of *nitrogen loss allowance* between properties. However, this is unclear because the terminology used leaves open a number of interpretations.

## **Decision sought**

Redraft Policy 15.4.12, as follows:

<u>Maintain water quality by restricting the movement of nitrogen between properties</u> <u>Manage</u> <u>nitrogen losses by attributing responsibility for nitrogen loss to individual properties</u> <u>unless</u>: ...

## Policy 15.4.13 (p15-6)

## Submission

Support in part.

The policy refers to "application for a resource consent to establish a Nutrient User Group". No such resource consent is required by the Variation and the RMA provides no such consenting system. Further, no such requirement for a consent is referred to in the definition of "Nutrient User Group". It is unclear what this policy refers to or what consenting system is envisaged.

## **Decision sought**

Clarify the intent of this policy. This may involve an amendment to the definition of Nutrient User Group to clarify that such a group exists only if approved by ECan through a specified process.

#### **Irrigation Schemes**

Policy 15.4.14 (p15-6)

## Submission

Oppose in part.

Part (b) of the policy requires that the irrigation scheme load in Table 15(p) is in proportion to the area of the scheme that is operational. This could cause problems for developing schemes where the operational area is increasing. Therefore, Part (b) should be deleted.

## **Decision sought**

Delete part (b) because this could cause operational difficulties for developing schemes.

## Lake, catchment and flow restoration

## Policy 15.4.15 (p15-7)

#### Submission

Oppose in part.

Policy 15.4.15 should be reworded in the interests of clarity. The policy should be limited in its focus to enabling augmentation. Nutrient loss management is dealt with in earlier policies. The

words "and in the absence of either require nutrient loss reductions beyond those achieved by good management practice" should be deleted.

#### **Decision sought**

Amend Policy 15.4.15 as follows:

Improve water quality of the Waihao-Wainono Area by enabling augmentation of Wainono Lagoon and catchment restoration activities and in the absence of either require nutrient loss reductions beyond those achieved by good management practice.

## Policy 15.4.16 (p 15-7)

#### Submission

Oppose in part.

Policy 15.4.16 states that water quality of the Waihao Wainono area will be improved by *enabling* the discharge of water to the lagoon through a constructed wetland, provided:....(d) Net loss of significant biodiversity habitat and habitats of significant indigenous biodiversity is avoided and the application for a resource consent is accompanied by a management plan that describes how the wetland(s) will be maintained; Presumably the intention of proviso (d) is to protect significant indigenous biodiversity habitat rather than the habitat of introduced species (e.g. pasture species, weeds or pests)? Therefore (d) should be re-written as follows: (d) net loss of significant indigenous biodiversity habitat is avoided; The reference to maintenance of wetlands should be deleted because this is covered in part (f).

In addition, part (e) should be amended to refer to *significant* adverse effects. The complete avoidance of adverse effects would be difficult if not impossible.

#### Decision sought

Reword part (d), as follows:

Net loss of significant <u>indigenous</u> biodiversity habitat <del>and habitats of significant indigenous</del> <del>biodiversity</del> is avoided <del>and the application for a resource consent is accompanied by a management plan that describes how the wetland(s) will be maintained;</del> and

Reword part (e), as follows:

significant adverse effects on people and property from raised groundwater levels and land inundation are avoided;

## Sustainable use of water and improvement of flows

## Policy 15.4.19 (p 15-7)

## Submission

Support in part.

Additional wording is required in part b). This policy requires the use of irrigation scheme water, where available, to the fullest extent possible. This requirement should be qualified to make allowance for economic factors. The move should not threaten the economic viability of farm businesses.

Policy 15.4.19(c) requires reduction of over-allocation by the avoidance of reallocation of any surrendered water. This is a reasonable requirement as long as there is over-allocation but water should be available for allocation once there is no over-allocation.

## **Decision sought**

Amend part (b), as follows: (b) utilizing water available from irrigation schemes before utilizing run-of-river takes, taking into account the financial viability for the property concerned.

Amend part (c), as follows: (c) avoiding the reallocation of any surrendered water <u>until such time as the water resource is no</u> <u>longer over-allocated</u>.

## Policy 15.4.20 (p 15-8)

## Submission

Support in part.

Policy 15.4.20 (b) states that *Ground water is sustainably managed within the Waihao Groundwater Allocation Zone by: (b) not exceeding the applicable allocation limit set out in Table* 15(k); This rule should only apply to new consents. Consent renewals should be granted provided the volume and rate of take are reasonable according to Schedule 10 methodology.

In relation to Policy 15.4.20 (c), please see Federated Farmers' submission on Policy 15.4.35.

## Decision sought

Retain Policy 15.4.20 (a) as written.

## Amend Policy 15.4.20 (b), as follows:

Ground water is sustainably managed within the Waihao Groundwater Allocation Zone by: (b) for <u>new consents</u>, not exceeding the applicable allocation limit set out in Table 15(k). <u>Consent</u> renewals should be granted provided the volume and rate of take are reasonable according to <u>Schedule 10 methodology</u>;

## Policy 15.4.21 (p 15-8)

## Submission

Oppose in part.

The stated intent of Policy 15.4.21 is to sustainably manage water from the specified zones. However, this should not preclude a consent holder applying his/her consented water onto new or different land areas provided water use is within the annual volume limit calculated according to Schedule 10. The policy should focus on the sustainable management of water and allow irrigators the flexibility to use their reasonable use water allocation to best effect on their land. Flexibility is particularly important for those producing arable and horticultural crops who have to manage crop rotations and respond to a range of market and physical conditions.

## **Decision sought**

Delete part (b) to enable effective use of consented annual volumes.

## Policy 15.4.22 (p 15-8)

**Submission** Support Policy 15.4.22.

## **Decision sought** Retain Policy 15.4.22 as notified.

## Policy 15.4.23 (p 15-8)

## Submission

Oppose in part.

Policy 15.4.23 (a) enables the replacement of surface water and stream depleting groundwater takes with deep groundwater takes provided there are no stream depletion effects. In this process it must be acknowledged that the annual volume on some such takes is insufficient to meet reasonable demand for the area of land, because of system capacity issues. Therefore, where people are replacing surface water or stream-depleting groundwater takes with non stream depleting ground water takes, the consented annual volume must be calculated according to method 2 in Schedule 10 of the LWRP. If people are making substantial investments in new infrastructure for environmental benefit, it is reasonable to ensure that they will end up with an annual volume appropriate for their land area. The policy should refer to Policy 15.4.21 in this regard.

In addition, Policy 15.4.23 (a) establishes an impossible test by suggesting replacement of stream depleting groundwater permits must ensure stream depletion effects are avoided. The policy should be re-worded to specify that the replacement takes will be from greater than 30 metres to avoid stream depletion effects.

## **Decision sought**

Amend Policy 15.4.23, as follows:

Surface water flows are improved by enabling an applicant to take deep groundwater provided the applicant holds a lawfully established surface water take or stream depleting groundwater take for an equal or greater rate and volume than is sought from the deep groundwater, and the surface water take or stream depleting groundwater take is surrendered provided:

(a)The volume of take will be that required to meet reasonable demand for the area of land (calculated according to method 2 of Schedule 10).

(ab) there are no stream depletion effects to avoid stream depletion effects, the take will be from greater than 30 m depth;

Re-letter parts (b) to (d) accordingly.

## Policy 15.4.24 (p 15-8)

Submission Support.

**Decision sought** Retain as notified.

## Policy 15.4.25 (p 15-8)

#### Submission

Support in part.

Policy 15.4.25 requires the use of irrigation scheme water, where available, to the fullest extent possible (during re-consenting processes). This requirement should be qualified to make allowance for physical practicality and economic factors. The move should not threaten the economic viability of farm businesses.

## **Decision sought**

Amend Policy 15.4 25, as follows:

Over-allocation of water is reduced by requiring applications for water permits affected by section 124-124C of the RMA to use irrigation scheme water, where available, to the fullest extent possible, taking into account practicality and financial viability for the property concerned.

## Policy 15.4.26 (p 15-8)

## Submission

Oppose.

Policy 15.4.26 sets requirements for the abstraction of surface water and stream depleting groundwater in addition to those contained in Policy 4.61 of the LWRP.

The requirements additional to Policy 4.61 (7 day volume and seasonal volume) are unnecessary from an environmental perspective, may lead to the less effective use of water and merely serve to complicate the compliance process. Therefore, the policy is unnecessary and should be deleted.

If the policy is retained it should state what it applies to, namely the abstraction of surface water and stream depleting groundwater.

## Decision sought

Delete Policy 15.4.26 because the requirements contained in Rule 4.61 are more than adequate.

If the policy is retained it should state that it applies to the abstraction of surface water and stream depleting groundwater.

## Policy 15.4.27 (p 15-8)

Submission Support.

**Decision sought** Retain wording as notified.

## Policy 15.4.28 (p 15-8)

Submission Support.

**Decision sought** Retain wording as notified.

## Policy 15.4.29 (p 15-8)

Submission Support.

**Decision sought** Retain wording as notified.

#### Policy 15.4.30 (p 15-9)

**Submission** Oppose in part.

Policy 15.4.30 states that environmental outcomes are to be met by only allowing the transfer of water permits (other than to the new owner of the same property at the same location), to occur where the transferred water is to be used for a community water supply. Achievement of environmental outcomes and transfer are separate issues and should be treated as such. Environmental outcomes are largely achieved by setting limits, and transfer processes would be subject to those limits. There is no logical reason to prevent transfers if the water resource is under-allocated.

Furthermore, in order to facilitate the replacement of surface water and stream depleting groundwater permits with new groundwater permits (Policy 15.4.23)) it would be beneficial to amend this policy so that groundwater can be transferred from where it is available to where it is needed.

#### **Decision sought**

Amend Policy 15.4.30, by adding the words: ...or where the transfer can occur without increasing volume of allocated water used.

## Policy 15.4.31 (p 15-9)

#### Submission

Support protection of water availability for community supply.

## Decision sought

Retain wording as notified.

#### **Consent Duration**

## Policy 15.4.32 (p 15-9)

## Submission

Oppose in part.

Support the staggered common expiry dates but a 10 year consent duration is too short given the investment in infrastructure, both on-farm and off-farm. Plans have to be reviewed every 10 years and consents can be brought into line with them enabling essential changes to be made.

#### **Decision sought**

Delete part (b) or extend the duration to at least 20 years.

## Rules

The Variation 3 rules are complex and it would be helpful to plan-users if the variation included a decision-tree to assist with explaining what rules apply, where, when and how.

## Rules 15.5.1 - 15.5.14 (p 15-10 - 15-13)

## Submission

Oppose.

Federated Farmers opposes the nutrient management rules for the reasons given above, under the heading Nutrient Management Provisions of Variation 3.

## **Decision sought**

Delete Rules 15.5.1 – 15.5.14 or amend as follows:

- 1) Amend Variation 3 to give effect to the NARG recommendations and to the ZIP Addendum.
- 2) Replace maximum cap numbers in Variation 3 with relevant good management practice benchmark N loss numbers from the MGM project.
- 3) Amend Variation 3 to enable N Loads, flexibility caps and maximum caps to be adjusted to match new versions of Overseer i.e. to retain their purpose, consistent with the intentions of the NARG recommendations and the ZIP Addendum.
- 4) Amend Variation 3 to correct modelling errors, to accommodate S-map updates and align modeled estimates with on-farm estimates of N loss.

## Nutrient management, sediment and microbial contaminants

## <u>Rule 15.5.2 (p 15-10)</u>

## Submission

Oppose in part.

Rule 15.5.2(2) states that, in order to be a permitted activity, *the nitrogen loss calculation for any part of the property within the Morven Sinclairs Area does not exceed the nitrogen baseline.* Federated Farmers opposes this condition because it is inconsistent with the agreement reached by the N Allocation Reference Group and with the ZIP Addendum. It was agreed that Good Management Practice (as will be defined in the MGM project) will be sufficient to protect the current quality of groundwater in the Morven Drain and Sinclairs Creek areas. It was also agreed that headspace created by future N load reductions, as a result of conversion from border-dyke to spray irrigation, may be used for further intensification within the catchment managed by the irrigation scheme or by ECan for load outside the catchment. The Rule should be amended to reflect this agreement.

## **Decision sought**

Amend condition 2 to read as follows:

The nitrogen loss calculation for any part of the property within the Morven-Sinclairs Area does not exceed the Good Management Practice nitrogen loss benchmark defined by the MGM project.

## Rule 15.5.3 (p 15-11)

#### Submission

Oppose in part.

Matter for discretion 1 and reference to the ability to meet the nitrogen load limits for farming in Table 15(o) is not supported. The specified load targets are too uncertain and should be subject to refinement on the basis more consistent use of Overseer and its input protocols and improved catchment modelling.

In addition, it is unclear why discretion is to be restricted over soil mapping "for the property" (matter for discretion 6) because the proposed variation applies maximum caps to areas mapped by the variation. If it is to acknowledge that the mapping of areas of extremely light, light and medium soils may not be fully accurate then the matter of discretion should be recast in those terms.

## **Decision sought**

Delete the reference to total catchment load limits in matter for discretion 1.

#### Re-word matter for discretion 6 to read as follows:

Whether the soil map in Variation 3 accurately reflects the distribution of soil on the property for the purpose of applying maximum caps.

#### Rule 15.5.5 (p 15-11)

#### Submission

Oppose in part.

Rule 15.5.4 applies prohibited activity status if the N baseline or flexibility cap to apply on 1 May 2015 (whichever is the greater) is exceeded in the Waihao Wainono Plains, the Waihao-Wainono Hill, or Northern Streams Hill; or if a new farming activity in the Waihao-Wainono or Northern Streams areas exceeds the maximum cap. Given the arbitrary nature of the caps and the error associated with N discharge estimates, prohibited activity status is not appropriate, with the possible exception of new farming activities which exceed the maximum cap. Prohibited activity status is particularly inappropriate for Northern Streams Hill, given that the Northern Streams Area has scope for further development, and is inconsistent with the ZIP Addendum. Non complying status would be more appropriate for Waihao Wainono Plains and Waihao-Wainono Hill, and discretionary status for Northern Streams Hill.

## **Decision sought**

Change activity status to non complying for Waihao Wainono Plains and Waihao-Wainono Hill, and to discretionary for Northern Streams Hill.

## **Farming Enterprises**

## Rule 5.5.6 (p 15-11)

**Submission** Oppose in part. Condition 3 of Rule 5.5.6 states that the nitrogen loss calculation for the farming enterprise does not exceed the respective nitrogen baseline for each land area forming part of the farming enterprise; If each block of land within a farming enterprise is required to operate within its nitrogen baseline, this would defeat the purpose of forming a farm enterprise for the purpose of managing nutrient discharge. It must be made clear that rights to discharge nutrients can be averaged across properties, and shared between properties where they are part of a Farm Enterprise.

#### **Decision sought**

#### Amend condition 3, as follows:

the nitrogen loss calculation for the farming enterprise does not exceed the <u>cumulative</u> respective nitrogen baseline for <u>theeach</u> land areas forming part of the farming enterprise;

## <u>Rule 15.5.8 (p 15-11)</u>

## Submission

Oppose in part.

Rule 5.5.8 applies prohibited activity status to land within Farming Enterprises that exceeds the relevant maximum cap or exceeds the N baseline, and to Farming Enterprises which straddle more than one Surface Water Allocation Zone. Given the arbitrary nature of the caps, the various issues with determining N baselines, the large error associated with N discharge estimates and the current issues with S-maps, prohibited activity status is not appropriate. This is especially true for the Northern Streams Area.

#### **Decision sought**

Change activity status to non complying.

## Rule 15.5.12 (p 15-12)

## Submission

Oppose in part.

Rule 15.5.12 applies prohibited activity status to the discharge of nutrients onto or into land within the command area of an irrigation scheme which may result in contaminants entering water... where the load limits in Table 15(p) are exceeded (condition 1 of Rule 15.5.11). Given the uncertainties associated with modelling catchment loads and the large errors associated with N discharge estimates, prohibited activity status is not appropriate.

## Decision sought

Change activity status to non complying.

## Rule 15.5.26 (p 15-17)

## Submission

Oppose in part.

Rule 15.5.26 prohibits the take and use of groundwater with a direct, high or moderate stream depletion effect or the take and use of surface water from any water body that is not listed in Tables 15(f) - 15(j).

Clarification is needed that Tables (g) to (i) relate to irrigation water only and that stock/domestic water is outside of the allocation. This is important given that ECan now often requires consent for stock water and washdown water if it is not for an individual. It seems the reliance on S14 (3) (b) of the RMA is no longer sufficient. With this rule making anything in addition to these tables prohibited, it means that many water uses operating on a permitted basis under the LWRP could suddenly be prohibited.

Furthermore, minimum flows must not prevent the take and use of reasonable and efficient stock, domestic and wash-down water. These takes must be able to continue during low flow conditions for animal welfare and hygiene reasons.

Provision must be made for water users to continue to be able to take limited amounts of groundwater as provided for by the LWRP. The list above this rule, identifying regional rules that apply, needs to include Rules 5.113 and 5.114 (which allow for small takes).

## **Decision sought**

The list above rule 15.5.26, identifying regional rules that apply, needs to include Rules 5.113 and 5.114 (which allow for small takes).

Amend Rule 15.5.26 as follows: The take and use of groundwater <u>for irrigation</u> with a high....

Include an additional rule that provides for a reasonable amount of water to be taken without minimum flows applying if it is for the purpose of animal welfare or hygiene.

## Rule 15.5.27 (p 15-17)

Submission Oppose.

This rule and following rules create a different regime from the Proposed LWRP rules for surface water takes and make all existing takes subject to the minimum flow and allocation regime as a condition when applying to renew a water permit. It is unclear why a significantly more restrictive regime has been introduced as of part of Variation 3 for existing takes of surface water.

All the methods contained in Schedule 10 for determining reasonable use should be available. It is unclear why methods 2 and 3 are satisfactory until 2021 (condition (i)) but not after (condition (ii)). Of the methodologies available in Schedule 10, method 1 is the most problematic. 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 3. Use of a daily water balance model, such as Irricalc (method 2), is a far 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).

Condition (ii) of the rule would potentially promote inefficient water use because it would encourage water users to increase their historical water use prior to the application of method 1.

Condition 3 requires that the take is not from a hapua or wetland. Many wetlands classified on ECan GIS are unknown to farm owners and sometimes there are takes from them already. Thought needs to be put into how replacement consents should be handled.

Therefore, Rule 15.5.27 should be deleted and Tables 15(g) to 15(j) should be given effect to under Rule 5.123.

#### **Decision sought**

Delete Rule 15.5.27 and defer to Rule 5.123. In the event that Rule 15.5.7 is not deleted, delete condition 2 (ii) and amend condition 2 (i) so that all of the Schedule 10 methodologies are available both before and after 20 Dec 2021.

#### Rule 15.5.28 (p 15-18)

#### Submission

Oppose.

Rule 15.5.28 if condition 3 of Rule 15.5.27 (the take is not from a hapua or wetland or high naturalness river) is not met, the take is a non complying activity.

Federated Farmers is opposed to this rule unless there is a satisfactory definition of wetland which only includes wetlands with genuinely significant values.

#### Decision sought

Delete Rule 15.5.28 unless a satisfactory definition of wetland is developed.

## Rule 15.5.29 (p 15-18)

Submission Oppose.

Rule 15.5.29 states that water takes that do not meet conditions 1 (flow and allocation regimes in Table 15(g) - 15(j)) or 2 (reasonable use) of Rule 15.5.27 are prohibited.

Federated Farmers is opposed to prohibited activity status because of the constraint on the use of Schedule 10 methodologies in Condition 2 (ii) of Rule 15.5.27, as discussed in our submission on Rule 15.5.27.

## **Decision sought**

Delete Rule 15.5.29 pending deletion of condition 2 (ii) of Rule 15.5.27 and amendment of condition 2 (i) Rule 15.5.27, as requested above.

## Rule 15.5.30 (p 15-18)

#### Submission

Federated Farmers is opposed to condition 2 (ii) because it is sufficient that the volume of the groundwater take does not exceed the previous consented volume (condition 2 (i)) and that the volume is reasonable according to Schedule 10 methodology. There is no logical reason to prescribe irrigated area. Doing this may lead to less effective water use.

Federated Farmers is also opposed to condition 4 (ii) which confines the calculation of reasonable use after Dec 2021 to method 1 of schedule 10. As stated above (submission on Rule 15.5.27) all the methods contained in Schedule 10 for determining reasonable use should be available. Of the methodologies available in Schedule 10, method 1 is the most problematic. 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 3. Use of a daily water balance model, such as Irricalc (method 2), is a far 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). Indeed, the use of method 1 would potentially promote inefficient water use because it would encourage water users to increase their historical water use prior to Dec 2021.

As written, the rule only allows new takes in the Waihao Groundwater Allocation Zone and replacement consents outside the Waihao Groundwater Allocation Zone. There needs to be a provision (new rule) enabling takes outside the present groundwater allocation zones.

## Decision sought

Delete condition 2 (ii).

Delete condition 4 (ii) and amend condition 4 (i) so that all of the Schedule 10 methodologies are available both before and after 20 Dec 2021.

Make provision (new rule) enabling takes outside the present groundwater allocation zones.

#### Rule 15.5.31 (p 15-19)

#### Submission

Federated Farmers is opposed to prohibited activity status for non compliance with the conditions of Rule 15.5.30. The activity status should be non complying, consistent with the Proposed LWRP.

## **Decision sought**

Delete prohibited activity status and replace with non complying status, consistent with the Proposed LWRP.

#### Rule 15.5.32 (p 15-19)

#### Submission

Oppose in part.

Federated Farmers supports the Rule but is opposed to condition 6 which confines the calculation of annual volume and maximum rate of take to Method 1 of Schedule 10. We are oppose to sole use of Method 1 for the reasons given previously (see submissions on Rules 15.5.27 and 15.5.30 above).

## Decision sought

Amend Condition 6, as follows:

...calculated in accordance with Method 1of Schedule 10 moderated to take into account climatic data.

## Rule 15.5.33 (p 15-19)

#### Submission

Oppose.

Federated Farmers opposes prohibited activity status, particularly because of the need to amend Policy 15.5.32.

#### **Decision sought**

Delete prohibited activity status and replace with non complying status.

## Rule 15.5.34 (p 15-19)

#### Submission

Support in part.

Federated Farmers supports the concept of water being taken for out-of-river storage.

Condition 3 is not necessary because the rule is confined to takes from water bodies in Tables 15(g) - 15(j) inclusive.

## **Decision sought** Delete Condition 3.

## Rule 15.5.35 (p 15-20)

## Submission

Oppose.

The rule is not needed because Condition 3 of Rule 15.5.34 is not needed.

**Decision sought** Delete Rule 15.5.35.

## Rule 15.5 36 (p 15-20)

## Submission

Oppose prohibited activity status, given the questionable nature of some of the limits contained in Tables 15(g) - 15(i).

#### **Decision sought** Change prohibited activity status to non complying.

## Rule 15.5.37 (p 15-20)

Submission Support in part.

Support restricted discretionary status.

The rule needs to give effect to Policy 15.4.28 which only allows for abstraction of 'B' allocation block water from the Otaio River when flow at the Otaio Gorge is above the relevant 'B' allocation block minimum flow limits (which must apply to all consents) and when the depth to water in bore J39/0255 is less than 3 m below ground level. This needs to be incorporated into Rule 15.5.37.

## **Decision sought**

Add conditions as follows:

- 3. Abstraction can only occur when flow at the Otaio Gorge is above the relevant 'B' allocation block minimum flow limits (which must apply to all consents); and
- 4. Abstraction can only occur when the depth to water in bore J39/0255 is less than 3 m below ground level.

## Rule 15.5.39 (p 15-21)

Submission Support.

**Decision sought** Retain as notified.

## Rule 15.5.40 (p 15-21)

Submission

Oppose.

Please see Federated Farmers' submission on Policy 15.4.30.

In addition, there are circumstances when transfer will not have negative effects on water usage and may have positive in-stream effects. Transfer is generally something to be encouraged to provide for allocative efficiency. Prohibition of transfers in circumstances where there would be no additional adverse effects but greater allocative efficiency is contrary to Policies B3 and B4 of the NPS for Freshwater Management 2014.

## **Decision sought**

Delete Rule 15.5.40 and rely on existing Proposed LWRP rules.

## Tables

## 15.7.6 Tables 15(m) - 15(p) (p 15-32 - 15-33)

## Submission

Oppose in part.

Federated Farmers opposes the nutrient management policies, rules and tables for the reasons given above, under the heading Nutrient Management Provisions of Variation 3.

## **Decision sought**

Delete Tables 15(m) - 15(p), or amend as follows:

1) Amend the tables to give effect to the NARG recommendations and to the ZIP Addendum.

- 2) Replace maximum cap numbers in Table 15(n) with relevant good management practice benchmark N loss numbers from the MGM project.
- 3) Amend Variation 3 to enable N Loads (Tables 15(o) and 15(p)), flexibility caps (Table 15(m)) and maximum caps (Table 15(n)) to be adjusted to match new versions of overseer i.e. to retain their purpose, consistent with the intentions of the NARG recommendations and the ZIP Addendum.
- 4) Amend Tables 15(m) 15(p) when modelling errors are corrected, and when S-maps are updated.

## Schedules

## Schedule 24b (p 3-1 - 3-2)

## Submission

Practice (e) relates to collected animal effluent. Item (ii) refers to "the application, separation distance, depth, uniformity and intensity of dairy effluent disposal is checked annually in accordance with Section 4 'Land Application' in the Dairy NZ Farm Dairy Effluent Design Standard [2013]."

However, while the DairyNZ FDE Design Standard's Section 4 does contain specific design standards for "application, separation distances, depth, uniformity and intensity" of FDE, it does not address annual self-checking methodologies as purported by Schedule 24b.

Section 4 of another DairyNZ document ("A farmers guide to managing farm dairy effluent – a good practice guide for land application systems") does, however, contain detailed advice on how to measure application depth, application rates and related matters. It is that document that should be referenced in the Appendix.

Reference to *'Land Application" in the Dairy NZ Farm Dairy Effluent Design Standard* [2013] in Schedule 24b (e) (ii) should be deleted and replaced with the following"

"A farmers guide to managing farm dairy effluent – a good practice guide for land application systems".

## Decision sought

Amend Schedule 24b, as above.

## Conclusion

Federated Farmers thanks Environment Canterbury for the opportunity to submit on Proposed Variation 3 to the Proposed Canterbury Land and Water Regional Plan. We look forward to ongoing dialogue about Variation 3 and continuing to work constructively with Council.

h.J. Anne

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Mark Adams President South Canterbury Province Federated Farmers of New Zealand

## Appendix 1

## **Consensus Position on Nitrogen Allocation in South Coastal Canterbury**

## Nitrogen Allocation Reference Group – Agreed 9<sup>th</sup> of July

	Framework = Good Management Practice with a Flexibility Cap and a Maxi	mum Cap <sup>i</sup>		
	Waihao Wainono and Northern Streams	inerit oop		
2015	<i>Working to Good Management Practice</i> for all users as per the MGM Project	Plan Operative		
Step 1	<i>Flexibility cap</i> of 10kgs/ha/yr for low emitters in Waihao Wainono and 15kgs in Northern Streams			
	Maximum Cap levels are clearly signalled and the timeframe for existing users to get there. New users meet the max cap from Step 1. (As per table below)			
2020	Good Management Practice for all users as per the MGM Project	If Hunter Downs and		
Step 2	Flexibility Cap in Waihao Wainono increases to 15kgs	Augmentation have occurred		
	A plan must be produced by existing high emitters to show progress and methods to get down to <i>Maximum Cap</i> by 2025.			
	(New scheme users and new conversions must meet the Maximum Cap immediately)			
2025	Good Management Practice for all users as per the MGM Project	Plan review		
Step 3	High emitters have reduced to the Maximum Cap			
	If water quality outcomes are being met, then the gains made from the Maximum Cap reductions are available to:			
	<ul> <li>provide additional <i>flexibility</i> for low emitters to a target of 17kgs/ha/yr and</li> </ul>			
	<ul> <li>provide for any existing high emitters on XL soils that are unable to meet the 35kgs maximum cap – by application for resource consent with a strong justification required</li> </ul>			

Maximum Cap for Waihao Wainono and Northern Streams	Soils	New Users (HDI + WD + any other new converters)	Existing Users	
35	XL, VL, L	Achieve	Must prepare a	Achieve by 2025
25	M, H, D	immediately on	plan by 2020	
20	Pd, Pdl	conversion	showing how to achieve	

It was agreed that for **Morven and Sinclairs**, to protect water quality and provide flexibility for land use, this can be provided by ensuring land use is at GMP (as will be defined in the MGM project) and as any future N load reductions from border to spray occur these are managed by MGIS - <u>as agreed already in the February 20<sup>th</sup> ZIP Addendum</u>.

It was agreed to **no formalised trading** in this plan. It was recognised this may be a subject for the future. It was agreed that the **'farming enterprise'** provisions (i.e. managing N load across properties within the same operating unit) in the LWRP should be enabled in South Coastal Canterbury, provided that this occurs in the same sub-catchment. Moreover, there was agreement that these provisions should be extended to properties operating as a **formalised collective** (with multiple operating units), within the same sub-catchment.

It was agreed that the N allocation will need to be reviewed in 2025 if water quality outcomes are not being met (as per the current ZIP Addendum), moreover that there is no priority right implied to either high or low emitters as to where improvements beyond GMP would be required.

#### The following were present and part of the 9<sup>th</sup> July Consensus

John Linton Keith Adams John Gardner Chrissy Adams Ross Rathgen John Gregan (left before agreement) Bruce Murphy Gert Van T'Klooster Martin Jensen Colin Hurst John Hughes Jeff Bleeker David Sleigh Odette Alexander Rob McIlraith Alastair Boyce William Rolleston Lionel Hume

<sup>&</sup>lt;sup>i</sup> NARG's consensus recognises that all above numbers are based on current look-up table Overseer 6, and would be re-visited for consistency of intent when future versions of Overseer and MGM come into play.