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| **IN THE MATTER** | of the Resource Management Act 1991 |
| **AND** | |
| **IN THE MATTER** | of the hearing of submissions on Proposed Plan Change 5 (Nutrient Management and Waitaki Sub-region) to the Canterbury Land and Water Regional Plan |
| **BY** | **KOKOAMO FARMS LIMITED** |
| **AND** | **WAITAKI IRRIGATORS COLLECTIVE LIMITED** |
| | **Submitters** |
| **TO** | **CANTERBURY REGIONAL COUNCIL** |
| | **Local authority** |

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**STATEMENT OF EVIDENCE OF MATTHEW FRASER ROSS ON BEHALF OF KOKOAMO FARMS LIMITED AND THE WAITAKI IRRIGATORS COLLECTIVE LIMITED**

Dated: 22 July 2016

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**Prudence Steven QC**
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## INTRODUCTION

1. My name is Matt Ross. I am a dairy farmer living near Duntroon in the Waitaki Valley. I am a Director of the Kurow-Duntroon Irrigation Company Limited ("**KDIC**"). I am also a past Chairman of the Waitaki Independent Irrigators Incorporated Society ("**WIII**"), past Director of the Waitaki Irrigators Collective Limited ("**WIC**"), and a past Chairman of the Maerewhenua District Water Resource Company Limited ("**MDWRC**").

2. I hold a Bachelor of Applied Sciences (Agriculture) degree from Massey University. Together with my wife Julie, we have two dairy farms on the south side of the Waitaki, known as Kokoamo and Domett View. We also lease land at Otekaieke.

3. I was previously a community representative on the Lower Waitaki-South Coastal Canterbury Water Management Zone Committee ("**the Zone Committee**").

4. I have been associated with the issues relating to water allocation and use, nutrient management and Environment Canterbury planning and consenting processes in the Lower Waitaki since 2005.

## SCOPE OF EVIDENCE

5. My evidence will cover the following matters:

   (a) Our farming operation and environmental compliance requirements.

   (b) My understanding of the Zone Committee collaborative process to develop sub-regional limits and rules.

   (c) Implications and effects of the proposed rule framework.

## OUR FARMING OPERATIONS AND COMPLIANCE REQUIREMENTS

6. Our two dairy farms are both fully irrigated from the Waitaki River via two irrigation schemes - the MDWRC and the North Otago Irrigation Company (NOIC). We also hold an individual water permit.

7. We hold numerous consents to operate the current farm system including: water consents - divert, take and use consents from the Waitaki River; land-use consents for milking dairy cows, both properties; storage and discharge consents for dairy shed effluent, system/ponds etc; household septic tanks, discharge/dose strip consents; and Code of Compliance regulatory requirements on buildings, infrastructure, earthworks, pump stations etc.

8. We currently use *CS Vue*, an online management tool and data storage facility to assist in our consent and condition set compliance. We are proactive and positive in our approach to consent compliance. However, it is a complex task and has a lot of moving parts in the operating farming environment. This must not be underestimated or taken for granted by planners and regulators.

9. We contract two resource management consultants to assist in consent compliance, data handling and engagement with the Regional Council. Despite my own qualifications and experience, I am not able to carry out all of the consenting and administration requirements associated with the regulatory environment within which we have to operate. Currently on farm, the majority of our team (seven) hold tertiary qualifications in a variety of agriculture and resource management fields. The level of knowledge and experience required to operate a modern farm environment is increasing at a rapid rate.

10. Our farms are run as complex and sophisticated systems as it is - in many instances farmers and the farming community are being overly "stretched" in order to meet ever-increasing community expectations across every aspect of farm management. These expectations are now reaching levels beyond what could be deemed reasonable, and planning-based mechanisms have become the instruments to give effect to these expectations.

11. These planning mechanisms are, quite simply, inappropriate for addressing issues within complex, dynamic physical and biological systems.

12. The individual water permit is subject to conditions that require us to have a Farm Environment Plan (FEP), fenced-off waterways, and riparian management processes. We are also required to model our nutrient losses and maintain a nutrient budget through the use of the OVERSEER programme.

13. MDWRC's, KDIC's, and NOIC's consent conditions also have these requirements.

14. Included in both our consent conditions and irrigation company Water Supply Agreements is the requirement to complete an annual audit of our FEP. In simplistic terms, the audit process assesses the proof of placement and practice from our on farm activities and management throughout the previous 12 month season, including:

- Water use and application, take metering, soil moisture status.
- Effluent application, timing, dates, soil moisture status, proof of placement mapping.
- Fertiliser application, soil testing, application rates, timing, proof of placement mapping, products used, nutrient budgeting, OVERSEER use and application.

- Chemical use, application rates, products, proof of placement mapping.
- Feed production, dry matter yields (kilograms), crops, pasture, livestock movements.
- Imported feed, kilograms of dry matter brought into the farm, products, mix/ratios/volumes, sources.
- Livestock numbers, seasonal production system, grazing/feeding programme.
- Weather events, irrigation use, effluent management.
- Staff training, development records.
- Overall system credibility, (i.e. are the information and records “genuine” and accurate?).

15. The annual audit must be completed by an independent, suitably qualified person or entity. The resulting report is made available to the Regional Council and irrigation company. The costs of this process are not insignificant and are borne directly by the consent holder/farmer or paid through fees to the irrigation scheme.

16. Our property has completed an annual audit of our FEP for four years now, and we are currently graded "A" by the external auditors. We carry out our annual audit in July or August of each year for the prior 12-month period (i.e. an irrigation season).

17. In order to achieve and maintain this grade we do a number of things on farm. There is a substantial amount of data capture and a significant amount of infrastructure installed on our property to collect the information required to provide an auditable footprint of what we do.

18. The farm is extensively mapped. The resulting map file is transferable to and for a variety of applications within our operation including whiteboards, planning documents, aerial and ground spreading services, online ordering/proof of placement etc. We have 'as built' capability for all underground infrastructure and services, accurate to a level of 25mm.

19. Farm vehicles and equipment including tractors, ATVs and pasture data-capture devices are all GPS capable and can record whatever task they are doing for proof of placement or geo-referencing purposes.

20. We have an extensive telemetry network that gathers pump and flowrate data, six soil moisture sites and an on-farm weather station. All irrigation scheduling is done on-demand, subject to soil moisture and temperature status.

21. We run SCADAFarm on our five pivots, which gives us full machine control and proof of placement for water and effluent application (by way of smartphone app and online).

22. The irrigation pumping network is on line and text capable so any faults or changes to operation are communicated with on farm personnel in real time. We have real time machine control of all water application infrastructure. All irrigation operation is also observable in real time via Google Maps.

23. To give effect to the on farm management tools described above we have a variety of infrastructure.

- Effluent storage ponds (HDPE lined) – approximately 75 days of capacity, 4000$m^3$ capacity per milking shed.
- Five centre pivots and K-Line spray irrigation (low application rate).
- Energy-efficient variable speed drives on all pumps, motors, and operating systems.

24. In addition to the FEP audit and ongoing consent/condition set compliance processes, we also have at least one un-notified ECan inspection of our cowsheds and effluent facilities per annum, and an annual cowshed audit carried out by Asure Quality as an independent assessor on Fonterra's behalf. Both visits require inspection of our on-farm facilities, our operating systems in action, and checking of our supporting documentation (e.g. the FEP, OVERSEER budget, proof of placement maps, records etc).

25. An ongoing improvement/upgrade policy is also in place to ensure we operate and invest in sustainable on-farm practice and outcomes. This is what good management practice is - a continual process and not a one-off change. It encompasses a range of practices, processes, and systems that will vary from farm to farm - far beyond what can be demonstrated by a single nitrogen number modelled by OVERSEER.

26. I hope from my explanation so far that it is clear to you that the current on farm environment is already subject to numerous compliance processes, some of which are already operating in triplicate.

27. At present these processes either interpret or require the same information, but in different formats and for different applications. It is my understanding that they all seek to achieve the same outcome. However my on-farm experiences suggest that, in practice, this outcome often gets lost sight of amongst all the "procedural creep".

28. In my opinion the draft Plan is creating excess regulation to control the same activities which, as I have described, are already highly regulated and controlled.

This will drive behaviour focused on compliance rather than outcomes, compromising the adoption and speed of uptake of some of the technology and farm management practices that I have described, and as a result will not contribute anything positive to environmental outcomes.

29. Farmers and consent holders will become bound-up by consent processes, compliance and administration. This is not simply a one-off process but is ongoing for the life of the consent. The time and costs associated with this will come at the expense of the adoption of technology and practices that this process set out to encourage.

30. It is extremely frustrating when regulatory processes and the ensuing paper war frustrate good farming and hinder progress on achieving positive environment outcomes.

**THE ZONE COMMITTEE COLLABORATIVE PROCESS AND SUB-REGIONAL LIMITS AND RULES**

31. As stated in my submission, I was heavily involved with the collaborative processes undertaken by Environment Canterbury which used the Zone Committee to determine community values and limits in association with freshwater.

32. My previous involvement with water allocation processes have demonstrated to me repeatedly the difficulties associated with "locking" numbers (whether that is quantity or quality allocations) into plans and consent conditions. This can lead to unintended negative outcomes, inflexibility, and the imposition of significant costs on communities.

33. In all the discussions and meetings I attended, there was general agreement that in areas where there was good water quality (and particularly where there was potential for future development), the rules developed should not be focused on an OVERSEER output number, but rather encouraging good practices on farm and improvements over time. There was certainly never any discussion that people in those areas would be required to gain a resource consent to continue farming, particularly where people were already undertaking audited self-management and farm environment planning.

34. In fact our sitting Commissioner stated several times (in more than one meeting), that the requirement for a consent to farm in a green zone was unnecessary and not something the Council intended would be an outcome of our sub regional process.

35. As discussed in paragraph 7 of this evidence, a property such as my own already has several existing landuse consents (and water permits) in place. The

replacement and/or renewal of these consents, in addition to the new ones required by the proposed Plan changes, for all farms in the lower Waitaki Catchment alone will potentially number in the thousands. While cost to the Council should not necessarily be a determining factor when writing rules, in my opinion the Regional Council and/or its planners have not considered the practicality nor the cost of such an exercise relative to the outcomes that the process is likely to achieve.

36. I raise this point because in 2012 (I will check the date), the Zone Committee commenced a process to amend one part of the Waitaki Catchment Water Allocation Regional Plan for the Maerewhenua River catchment, a small tributary of the Lower Waitaki Catchment. The result was positive for the catchment, endorsed by the Regional Council and largely funded by consent holders and the local community. The process took several years from start to finish and very nearly faltered at the final hurdle - as Environment Canterbury lacked the budgetary funds to undertake a review of the conditions of five consents to align them with the amended Plan provisions. In the meantime, consent holders from the catchment had spent several million dollars to provide a solution to the historic allocation issues on the premise that the Council had committed to the Plan change and subsequent review.

37. This demonstrates that regional councils are well set up to write and deliver plans, but not to implement them and follow-through. At this stage, we have the greatest opportunity to change behaviours and management which will have the most impacts on water quality - both negative and positive.

38. From my point of view as a member of the Zone Committee for four years and contributor to the ZIP, the draft Plan is inconsistent with the discussion and agreed position we had as a committee. We specifically discussed and debated the issues around requiring landuse consents to farm and the resulting Overseer number that would likely prove a constraint to good management practice (GMP). We contemplated the risks to water quality outcomes in the Zone and agreed auditable FEPs were an adequate and proactive regulatory process to ensure a sustainable future for the Zone.

39. Water quality outcomes are currently being met in the Zone. The modelling undertaken by Environment Canterbury allowed for a further 4000ha of development/intensification. If this went ahead, total loading was still considered low and water quality outcomes would still be met. Therefore, the risks to water quality lie with on-farm practices and management, not with catchment-wide intensification because the lower Waitaki is, in effect, fully developed.

40. An OVERSEER number locked in by a supporting landuse consent offers no more environmental protection than the paper it is written on. It's my position that consented allocation may in fact encourage poor practice or market-based behaviours (ie buy/sell) that do little to encourage better farming. It is not hard to foresee a situation where a landowner could in effect buy a right (via consent) to pollute.

41. It is my opinion the draft Plan amounts to little more than regulation for regulation's sake and it will ultimately compromise environmental outcomes because landowners will spend time, money and energy on bureaucratic processes, not better farming practice, technology adoption and infrastructure upgrade.

42. It is my position that the draft Plan is a departure from what the Zone Committee agreed. It is immensely disappointing and frustrating as a volunteer contributor in the collaborative process to have to make submissions in opposition to the draft Plan after we established and agreed the high level framework by way of the ZIP.

43. From my experiences with Environment Canterbury over the past 11 years, I do not see the value proposition in having a large-scale consenting process for the catchment. It is unlikely to be implemented in a timely or cost effective manner. It is my opinion that the scope and nature of such a process has not been adequately considered in the drafting of this Plan.

44. Assuming the process is capable of being completed and is then implemented, the result would be that each farm has "a number" based on the OVERSEER version of that time.

45. It is my opinion that this is problematic and unnecessary in a green zone catchment. The protection of the catchment and integrity of water quality outcomes lie with on farm management and practice.

46. To suggest it is anything else in a catchment like the lower Waitaki demonstrates a lack of understanding of the environment, its hydrology, and the community. I say this because the Lower Waitaki is highly modified due to existing hydro infrastructure and it is essentially fully developed and has existing allocation limits in place by way of the Waitaki Catchment Water Allocation Regional Plan.

47. A landuse consent per farm with a specific nutrient discharge allowance, i.e. "a number", is a constraint to good management practice (GMP) as landowners become bound by chasing a number modelled by OVERSEER.

48. Good farm management should be about making sound decisions in response to a variety of complex conditions that change over time. Those conditions will include

variables from the natural environment, responses to price, seasonal supply/demand and the age/stage of a particular farm business.

49. It is my opinion that better environmental outcomes will come from farmers being given the responsibility to deliver on environmental expectations, by way of an auditable footprint of their management and practices. Regulatory constraint in the form of complex rules and regional Plans will do little except drive the parties involved further apart.

**CONCLUSION**

50. In my opinion the draft Plan is creating excess regulation that will compromise the adoption and speed of uptake of some of the technology and farm management practices that I have described, and as a result will not contribute anything positive to environmental outcomes.

51. Farmers and consent holders will become bound by consent processes, compliance and administration, the cost of which will compromise the adoption of technology and practice that this process set out to encourage.

52. It is extremely frustrating when regulatory processes and the ensuing paper war frustrate good farming and hinder progress on achieving positive environment outcomes.

53. It is immensely disappointing and frustrating as a volunteer contributor in the collaborative process to have to make submissions in opposition to the draft Plan after we established and agreed the high level framework by way of the ZIP. It is my position that the draft Plan is a departure from what the Zone Committee agreed.

54. It is my opinion that better environmental outcomes will come from farmers being given the responsibility to deliver on environmental expectation, by way of an auditable footprint of their management and practices. Regulatory constraint in the form of complex rules and regional Plans will do little except drive the parties involved further apart.

**Matthew Ross**

22 July 2016