

IN THE MATTER

of the Resource
Management Act 1991
(RMA)

AND

IN THE MATTER

of the Proposed
Variation 1 to the
Canterbury Land and
Water Regional Plan

TO BE HEARD BY

Canterbury Regional
Council

HEARING DATE

15 October 2014

**Statement of Evidence of Gregory Philip Sneath
on Behalf of the Fertiliser Association of New Zealand**

15 October 2014

Qualifications and Experience

1. My full name is Gregory Philip Sneath. I graduated from University of Queensland, St. Lucia, Brisbane, Australia, with a Bachelor of Agricultural Science, with Honours.
2. I am currently employed as Executive Manager with The Fertiliser Association of New Zealand. I have been with The Fertiliser Association of New Zealand for over 9 years, and have certificates of completion for both the Intermediate and Advanced courses in Sustainable Nutrient Management in New Zealand Agriculture, at Massey University.
3. Representing the Fertiliser Industry I have engaged with Regional Council staff throughout New Zealand involved in the disciplines of policy, land management and science. I have participated in stakeholder workshops, advisory groups and industry consultations in relation to nutrient management and the development of Regional Plans, including engagement within the pan sector industry groups addressing the Proposed Canterbury Land and Water Regional Plan.

Introduction

4. The Fertiliser Association of New Zealand ('FANZ' or 'the Association'), is a trade organisation representing the New Zealand manufacturers of superphosphate fertiliser. The Association has two 'member companies' – Ballance Agri-Nutrients Ltd and Ravensdown Fertiliser Co-operative Ltd. Both these companies are farmer co-operatives with some 45,000 farmer shareholders. Between them these companies supply over 98% of all fertiliser used in New Zealand.
5. The member companies have invested significantly in systems and capability to reliably estimate and document nutrient cycling on farms, with the purpose of providing sound advice and recommendations for nutrient management to support viable economic production and environmental responsibility. The systems and procedures used are applied in the same way nationally, but recommendations are specific to farmer goals, industry targets and regional council regulation. National and in particular regional consistency in the approach and framework for nutrient management is highly desirable.
6. The Fertiliser Association takes a particular interest in regional policy statements and regional plans in terms of supporting provisions that enable the sustainable management of natural and physical resources, and seeking that any regulation of land use activities that may use fertilisers is appropriate and necessary.

Key Matters

7. A summary of submission points discussed here are as follows:

- A staged implementation programme or procedural guidelines are sought for phasing in the provision of Nutrient Budgets and Farm Environment Plans, with priority given to more intensive farm systems with higher nitrogen leaching rates.
- Amendment to Policy 11.4.1 to read: “*to avoid, remedy or mitigate cumulative effects.*”
- Schedule 24 be further amended so that it is clear that nutrient budgets are valid for 3 years, unless there is a significant farm system change. In addition support is given to more clearly defining the requirements of an “annual review”. For example, as the review of farm records, or a review based on agreed industry programmes (where these are provided for by individual sector groups) which might be used to also confirm the current Nutrient Budget is representative of the farm system, and there have not been any significant farm system changes.
- Support inclusion in the Introduction of an acknowledgement that :

Selwyn Te Waihora is an important area for agriculture and food production which provides significant employment in the area, both on-farm and in processing and service industries. The social and economic wellbeing of the community is reliant on the agricultural industry and it is important that it is retained so that the communities can thrive.
- Until such time as the Good Management Practice Nitrogen and Phosphorus Loss Rates have been determined, delete reference in Policy 11.4.14 (b) to the further percentage reduction beyond those required in Policy 11.13.4.(b) and,
- Make any consequential changes required, until such time as the required percentage reduction can be reliably determined (as part of the Matrix of Good Management Programme) and be introduced.
- The definition for Good Management Practice Nitrogen and Phosphorus Loss Rates should be retained, as Good Management Practice Nitrogen and Phosphorus Loss Rates is used in the Proposed Variation 1 to the CLWRP.
- In relation to the Nitrogen Baseline: ECAN clarify its intention to rely on GMP loss rate calculations as the means to achieve the water quality outcomes sought; and

- Change the activity status that apply to the use of land for farming activities that exceed the nitrogen baseline after 1 January 2017 from Prohibited to Non-complying; and
- Amend Policies 11.4.14 and 11.4.15 to address how the nitrogen baseline will be considered

Main Hearing Submission

Original Submission:

8. In its original submission FANZ stated;
FANZ supports the following submission made by Ballance Agri-Nutrients Ltd:
[in the introduction representing a key theme to it submission] that ;
“Variation 1 must be supported by a robust, comprehensive and practicable ‘Implementation Plan’. The Implementation Plan must map out how the Council and the Selwyn Waihora community are to collectively give effect to the nutrient baseline approach promulgated within Variation” and
9. In relation to producing Nutrient Budgets in Schedule 24 that:
 - d. FANZ supports the following submission made by Ballance Agri-Nutrients Ltd:
“The nutrient budget requirements must be staged such that they are practicable and readily able to be effectively implemented. This should include:
 1. *Drawing a distinction within the new Schedule 24 Nutrient Budgets ‘review’ process versus an ‘update’, whereby in the absence of any significant farm system change, Nutrient Budgets should remain valid for a period of three years and not require ‘updating’; and*
 2. *The importance of Farm Environment Plans and associated Nutrient Budgets being progressively produced between the 1st of July 2015 and the 1st of January 2022”.*

Officer report response:

10. I did not find that the Officer Report specifically addressed the staged implementation of nutrient budgets, but rather refers to the staged implementation of targets, and the Zone Committee terms of reference that the purpose and function of each Committee is to:

“Facilitate community engagement in the development and periodic review of a Water Management Implementation Programme that gives effect to the Canterbury Water Management Strategy.”

Comment:

11. A clear implementation procedure to allow for farmers to produce certified nutrient budgets and farm environment plans within a reasonable timeframe remains an issue.
12. Detailed considerations of phased implementation have been raised in the Hearing submissions of Mr Michael Kearney on behalf of Ballance Agri-Nutrients (Paragraphs 4.8 to 4.22) and Mr Chris Hansen on behalf of Ravensdown (Paragraphs 92 to 94).
13. I concur with the practical concerns raised by the member companies of the Fertiliser Association and recommend consideration is given to providing within the plan structure, a measured and practical implementation programme or procedural guidelines for phasing in provision of Nutrient Budgets and Farm Environment Plans, with priority given to more intensive farm systems with higher nitrogen leaching rates.

Relief Sought:

14. Consideration be given to the merits of Ballance Agri-Nutrients and Ravensdown submissions seeking a clear, appropriate and practical implementation programme or procedural guidelines for phasing in provision of Nutrient Budgets and Farm Environment Plans, with priority given to more intensive farm systems with higher nitrogen leaching rates.

Original Submission:

Policy 11.4.1:

15. Policy 11.4.1 States :

“Manage water abstraction and discharges of contaminants within the entire Selwyn Waihora catchment to avoid cumulative effects on the water quality of Te Waihora/Lake Ellesmere and flow of water in springs and tributaries flowing into Te Waihora/Lake Ellesmere”.

16. FANZ submitted:

that the phrase “to avoid cumulative effects” should be amended to read, “ to avoid, remedy or mitigate cumulative effects.”

Officer report response:

17. The FANZ submission point was acknowledged in the Officer Report, and with **Recommendation R 11.4.1** the Officer report recommended;

Amend Policy 11.4.1 to read:

11.4.1 Manage water abstraction and discharges of contaminants within the entire Selwyn Te Waihora catchment to avoid, remedy or mitigate¹²⁶ adverse¹²⁷ cumulative effects on the water quality of Te Waihora/Lake Ellesmere, streams and shallow groundwater¹²⁸ and flow of water in springs and tributaries flowing into Te Waihora/Lake Ellesmere.

Relief Sought:

18. Accept the recommendation R11.4.1 of Officer Report

Original Submission:

19. In relation to the requirement for an annual review of nutrient budgets FANZ noted:
20. At **page 5-1, Schedule 24** the Variation sets out under the heading “*Farm Practices*”
- a. Nutrient Management:*
- (i) *A nutrient budget based on soil nutrient tests has been prepared, using OVERSEER® in accordance with the OVERSEER® Best Practice Data Input Standards [2013], or an equivalent model approved by the Chief Executive of Environment Canterbury and is reviewed annually.*
21. FANZ submitted in support of the use of OVERSEER® Best Practice Data Input Standards.
22. FANZ submitted that it is not necessary or appropriate to require an annual review of nutrient budgets and, furthermore, there are not sufficient Certified Nutrient Management Advisors to meet a requirement for annually reviewed nutrient budgets, which would frustrate compliance and render the regulation unenforceable.
23. FANZ submitted that the phrase “*and is reviewed annually*” be amended to read *and is reviewed triennially and after any significant farm system change*.

Officer report response:

24. The officer report has acknowledged the submission points about requirement for annual review of nutrient budgets in Paragraphs 11-244 and 11-245, but moving on

to many other submissions raised in relation to Schedule 24 requirements, does not appear to address it specifically,.

25. The Officer report section undertaking analysis of Schedule 24 requirements concludes:

11.263 However, ahead of the hearing process and the evidence to be given by various submitters, both for and against the role of farm environment plans, no recommendation is made on the most appropriate rule framework for farm environment plans.

11.264 Subject to the fundamental decisions being made on the rule framework, some initial recommendations are made below regarding the submissions specifically on the content of Schedule 24.

26. No change is recommended in Schedule 24 in relation to the requirement for annually reviewing a nutrient budget.

Comment:

27. The issue of annual reviews of Nutrient Budgets are discussed in depth in the Hearing Submissions of Mr Michael Kearney on behalf of Ballance Agri-Nutrients (Paragraphs 5.4 to 5.10) and Mr Chris Hansen on behalf of Ravensdown (Paragraphs 106 to 109).
28. The key issue is that as Overseer Nutrient Budgets represents a long term annual average nutrient loss and therefore should not be expected to represent farm management responses to ‘within year’ variations.
29. While support is given to keeping detailed records, producing a nutrient budget annually will not be necessary, unless there has been a significant farm system change. Capability to deliver certified nutrient management plans will be improved if nutrient budgets and nutrient management plans remain valid for three years unless there is a significant farm system change.
30. Data input adhering to the Overseer Data Input Standards is supported.
31. It is acknowledged that to ensure the farm system is well represented by the current Nutrient Budget and that there have been no significant changes in the farm system, it could be valid to review data (or the farm system) annually, although it would not be necessary to produce a new Nutrient Budget by a Certified Nutrient Management Adviser. I believe this is the justification for the submission points requested by the Fertiliser Association member companied Ballance and Ravensdown in their original submissions for a better definition of “annual review” as acknowledged by the Officer report in paragraph 11-244.

32. It could be that the review of data and/or the farm system could be achieved by standard industry agreed programmes (where these are provided for by individual sector groups) which could be used to also pick up a significant farm system change, without having to produce a certified Nutrient Budget annually.

Relief Sought:

33. The Officer report recommendations for amendment to Schedule 24 be accepted, but further amended so that it is clear that nutrient budgets are valid for 3 years unless there is a significant farm system change.
34. In addition support is given to more clearly defining an “annual review”. For example as the review of farm records, or a review based on agreed industry programmes (where these are provided for by individual sector groups) which might be used to also confirm the current Nutrient Budget is representative of the farm system, and there have not been any significant farm system changes. (Refer to Appendix A of this submission, for potential text within a revised Schedule 24 to describe an annual review for farm system change).

Further submissions

35. FANZ provided support to Ballance and Ravensdown submissions, and support to the Fonterra Co- Operative Group submission in relation to reductions beyond Good Management Practice losses as follows:
36. Fonterra Co- Operative Group Limited, submitter ID 52333 at page 4, paragraph 12 where the originating submission reads as follows:
 - a. “The relief sought addresses a large number of substantive and technical issues. Amongst these there are several common matters that underpin our submission i.e.:
 - b. The importance of recognising the positive aspects of catchment use for primary production and the value that people and communities gain from that use. This can largely be addressed by amending the introductory narrative within the Variation.
 - c. Concern about rules that require particular nitrogen loss rates to be achieved on farm within two years from now, and then a 30% lower rate to be achieved within eight years from now, while not identifying the rates today that need to be worked towards. This approach leaves farmers in the dark as to what they need to do until the Good Management

Practice Nitrogen and Phosphorous Loss Rates (GMPNPLR) are identified - we understand this is expected to be in mid- 2015. It also prevents any assessment of the potential benefits and costs of the environmental, economic, social, and cultural effects that are anticipated from the nitrogen loss rules currently proposed in the Variation (making the proposal non-compliant with section 32 of the Resource Management Act 1991). This can largely be addressed by removing reference to compliance with the GMPNLR, or reduced rates until such time as the GMPNPL rates and associated reduction strategy are introduced to the pLWRP...”

- d. “Concern about the nitrogen baseline that applies to farming activities and the way farmers must account against that baseline. There are issues that have recently come to light with the pLWRP provisions that can, and should, be remedied for Selwyn-Waihora within this Variation.
- e. The need to keep the many quality and quantity limits and outcomes under review, making adjustments where and when necessary...
- f. The importance of acknowledging the non-regulatory methods needed to ensure the catchment vision is achieved and the fact that regulation is not expected to (and almost certainly cannot) achieve the outcomes by itself. Greater confidence in the Variation could be provided to stakeholders if it were to include a methods section that explained the approach to implementation, review and deployment of non-regulatory methods.”

Officer report Response; Bullet b):

37. The office report recommended a number of amendments to the Introduction, including the paragraph below. (using text requested by Horticulture New Zealand)

38. *“Recommendation R11 Introduction*

Amend Section 11 Introduction as follows:

*.....Selwyn Te Waihora is an important area for agriculture and food production which provides significant employment in the area, both on-farm and in processing and service industries. The social and economic wellbeing of the community is reliant on the agricultural industry and it is important that it is retained so that the communities can thrive.*¹²²”

Relief sought; Bullet b):

39. FANZ supports that the recommendation R11 for this statement given above to be included in the introduction.

Officer report Response; Bullet c):

40. The Officer report addressed the issue of percentage reductions beyond Good Management Practice at length in paragraphs 11.151 to 11.173:

41. At paragraph 11-166 the Officer report states:

“At the broadest level of summarising, it would appear that in order to meet the long term target for nitrogen discharges, there is a need to reduce discharges by approximately 12.5% across the board beyond the reduction that would be achieved through good management practice. As there are thresholds below which nutrient management is not specifically required, such as the 15 kg/ha/pa limit, the overall reduction across existing farms is more in the order of 20%. The Zone Committee considered how best to divide this amongst the various industries, upon an understanding that it was easier for some industries to reduce discharges than others. “

42. And the Officer report concludes at Paragraph 11-176:

“Overall, in the absence of an alternative path set out by the submitters that will still enable the target to be met, it is recommended to maintain the present policy framework.”

43. It is also noted that following paragraph 11-150, the Officer report recommends deleting the definition for ‘Good Management Practice Nitrogen and Phosphorus Loss Rates’, as follows:

44. *“Recommendation R Good Management Practice Nitrogen and Phosphorus Loss Rates:*

“Delete the definition of Good Management Practice Nitrogen and Phosphorus Loss Rates.”

Comment Bullet c):

45. It still remains unclear how the size of percentage reduction beyond Good Management Practice which might be required to meet the plan objectives can be deduced, in advance of understanding and determining the typical farm system nutrient losses to be attained under Good Management Practice. These Good Management Practice nutrient loss values are currently being determined for each sector groups in the Matrix of Good Management programme supported and endorsed by Environment Canterbury.

46. The justification for the proposed percentage reductions appears to be based on assessments which have been previously challenged, and which have given rise to the current re-evaluation to be based on Matrix of Good Management Programme.

For this reason the justification provided in the Officer report appears ill founded and appears to dismiss entirely the programme of work agreed and advanced by Industry in partnership with ECAN. There appears to be little advantage in rushing through the percentage reductions as proposed.

47. The recommendation to delete the Definition for Good Management Practice Nitrogen and Phosphorus Loss Rates, while retaining the percentage reduction of these Good Management Practice loss rates within the plan is likely to create even more confusion and provides no material advantage.

Relief Sought; Bullet c):

48. Until such time as the Good Management Practice Nitrogen and Phosphorus Loss Rates have been determined, delete reference in Policy 11.4.14 (b) to the further percentage reduction beyond those required in Policy 11.13.4.(b) and,
49. Make any consequential changes required, until such time as the required percentage reduction can be reliably determined and introduced.
50. A strong signal for the requirement for future reductions beyond Good Management Practice Nutrient Loss can be retained in explanations of the planning provisions.
51. The definition for Good Management Practice Nitrogen and Phosphorus Loss Rates should be retained, as Good Management Practice Nitrogen and Phosphorus Loss Rates is used in the Proposed Variation 1 to the C LWRP.

Officer report Response; Bullet d):

52. The Officer report addressed requests for a review of Nitrogen Baseline definitions as follows:

11.111 Overall, the definitions of nitrogen baseline and nitrogen loss calculation are contained in the region-wide definitions in the pLWRP. The Variation did not seek to introduce new definitions or make changes to the region-wide definitions, which would appear to be clearly outside the scope of the Variation. Other submitters seek specific definitions for this sub-regional section. This is not considered appropriate as it will create a different basis for the Selwyn Te Waihora sub-regional area, lead to a general expectation in other sub-regional areas that the same principle will apply, and will likely lead to greater difficulties in achieving the nutrient target in the medium term.

53. The Officer report states in paragraph 11.34 that:

“Several submitters have questioned the relationship between Policy 11.4.12 and Policies 11.4.13 to 11.4.16. There is some potential for conflict between these policies, as they apply over different time frames and have differing levels of specificity. Overall, when read as a whole, and in combination with the resulting rule regimes, the potential for conflict does not appear to be significant.”

Comment; Bullet d):

54. The complications and conflicts between Policies 11.4.12 and Policies 11.4.13 to 11.4.16 in relation to application of the Nitrogen Baseline is discussed at length in the Hearing evidence of Mr Hansen on behalf of Ravensdown (paragraphs 28 to 39).
55. I concur with the assessment of the issues as described by Mr Hansen on behalf of Ravensdown.

Relief sought; Bullet d):

56. I support the following relief sought by Ravensdown, and for the reasons given by Mr Hansen in his Hearing Evidence seeking ECAN to :
 - Clarify its intention to rely on GMP loss rate calculations as the means to achieve the water quality outcomes sought; and
 - Change the activity status that apply to the use of land for farming activities that exceed the nitrogen baseline after 1 January 2017 from Prohibited to Non-complying; and
 - Amend Policies 11.4.14 and 11.4.15 to address how the nitrogen baseline will be considered.

Concluding Statement

57. Thank you for the opportunity to table this Hearing submission with the Hearing Panel for Proposed Variation 1 of the Canterbury Land and Water Regional Plan.



Greg Sneath

The Fertiliser Association of New Zealand

15 October 2014

Appendix A

Annual Review of Farm Systems

Suggested wording is presented below for inclusion in Schedule 24 to make it clear that nutrient budgets should be valid for 3 years, unless there is a significant farm system change, and that annual review relates to an assessment that there have been no significant farm system changes.

Schedule 24-Farm Practices

(a) Nutrient Management:

- (i) A nutrient budget based on soil nutrient tests has been prepared, using OVERSEER in accordance with the OVERSEER Best Practice Data Input Standards [2013~~4~~], or an equivalent model approved by the Chief Executive of Environment Canterbury ~~and is reviewed annually~~. A nutrient budget will remain valid for 3 years unless there is a significant farm system change. Records kept to support the nutrient budget shall be reviewed annually in accordance with an industry programme approved by Environment Canterbury (or in the absence of an industry programme, as directed by Environment Canterbury) to assess whether any significant farm system changes are evident.

A significant farm system change is a change in farming practices beyond routine fluctuations that arise as a result of rotation, or annual/seasonal variation in climatic and/or market conditions.