

Tabled at Hearing - 06/09/2016.

BEFORE HEARING COMMISSIONERS AT OAMARU

IN THE MATTER

of the Resource Management Act 1991

AND

IN THE MATTER

of the proposed Variation 5 to the Proposed
Canterbury Land and Water Regional Plan –
Nutrient Management

BETWEEN

DairyNZ Limited

AND

Canterbury Regional Council

OPENING SUBMISSIONS

6 September 2016

Opening submissions

- 1.1 Thank you Sir. DairyNZ appreciates the opportunity to appear before the Hearings Panel today on a regional planning proposal that is of critical importance to dairy farmers in the Canterbury region.
- 1.2 My name is Tony Fransen and I'm a Developer in the DairyNZ's sustainability team.
- 1.3 As the Commissioners are aware, I have prepared an Evidence Statement explaining the scope of DairyNZ's evidence. In view of the Panel's confirmation that you have no questions in connection with my Evidence Statement, my role here today is to assist in resolving any questions that you may have in connection with DairyNZ's Original and Further submissions, and to briefly introduce our witnesses.
- 1.4 Our technical expert evidence elaborates on two key recommendations in DairyNZ's Original and Further Submissions that:
 - ECan should adopt an alternate Nitrogen Fertiliser proxy based on the Nitrogen surplus approach; and
 - The most effective means of achieving the Canterbury Regional Council's desired periphyton outcomes for the Hakataramea River.
- 1.5 While today we are not presenting on all matters raised in our submission there are some matters of importance that should be strongly considered as part of solutions package for PC 5. These include, but not limited to:
 - Alternative consenting path – as presented by Fonterra
 - Winter grazing definition – (original submission p35)
 - The wording 'highest annual' in the definitions for - *Nitrogen Baseline*, *Nitrogen Loss Calculation*, *GMP Baseline*, and *GMP Loss Rate* (original submission p32-35)
 - Amendments to Schedule 7 to align with the 'Industry agreed good management practices' – (original submission p66-67,122-123, & further submission p2)
- 1.6 With the Panel's agreement, I would like to focus my introductory remarks on DairyNZ's motivation for recommending the adoption of an alternative Nitrogen fertiliser proxy.

1.7 In our original submissions (p7) DairyNZ agreed that the Farm Portal represented the most efficient mechanism for collecting farm information for environmental modelling and reporting, and farm decision-making purposes. However, we also noted that:

- The modelling proxies required substantial amendments to remedy technical flaws and inconsistencies (p7),
- ECan's delays in making the Farm Portal available for robust user-testing had adversely affected our ability to validate ECan's modelling approach (p68), and
- Alternative approaches to achieving and modelling GMP should be considered during the planning process (p21).

1.8 As noted in the section 42A Report (para 4.19 et seq) one of the key outcomes of PC 5 is to facilitate the implementation of Policy 4.11 through incorporating a requirement for all activities to operate at a GMP benchmark. Para 4.21 of the Report specifically notes that,

"The architecture of PC5 relies on the farm portal as a key instrument to deliver on Policy 4.11 and improve nutrient management in relation to farming activities".

1.9 The s42A report (for example p42 and p45) makes extensive reference to the development of the Farm Portal being carried out in a collaborative manner as part of the Matrix of Good Management (MGM) Project, noting that

"The Farm Portal is based on industry input on the proxies, which are based on the industry agreed GMPs".

1.10 Unfortunately this commentary is unhelpful and potentially misleading. The Technical Report prepared in December 2015 by DairyNZ for the MGM Project (Estimating the nutrient loss of Canterbury dairy farm systems operating at Good Management Practice) contained a comprehensive position statement (at p3) that noted:

"As the MGM project was nearing completion, the MGM Project Team and ECan made decisions regarding the development of modelling proxies for nutrient management that DairyNZ does not support. It is therefore important to note that DairyNZ's decision to release this report should not be construed as an endorsement of the methods or results of the combined MGM modelling proxies outlined in this report".

1.11 The decision to include this position statement in the Technical Report reflected DairyNZ's long-standing concern that ECan's modelling approach, in particular the Nitrogen fertiliser proxy, was fundamentally flawed and did not accurately characterise dairy farm systems. These concerns, as noted in Dr Thorrold's evidence, first materialised in August 2015.

1.12 The s42A report notes (at para 6.108) that two fertiliser proxies were considered as alternatives during the final stages of the MGM project, namely the current proxy outlined in Schedule 28 and an alternate based on the Nitrogen Surplus approach. However, the s42A suggests that these proxies were *"not clearly raised as alternatives in the submission points"*. For the avoidance of doubt, DairyNZ's Original Submission clearly states that,

"Alternative approaches to achieving and modelling GMP should be considered in this process. Including.....using Nitrogen surplus values to assess GMP nitrogen input requirements on farm" (p21)"

1.13 The s42A report (para 6.109 at p45) indicates that the Schedule 28 proxy was preferred by the Council because it was, *"more aligned with GMP than the alternative"*.

1.14 However, the report fails to acknowledge that the Council's decision to adopt the Schedule 28 proxy reflected the Council's preference to prioritise alignment with the narrative explanations of GMP ahead of the technical robustness. We understand that the tight time constraints for completing the MGM project and formally notifying the Plan Change were other important considerations influencing the Council's approach.

1.15 In view of the above, DairyNZ's objectives in presenting expert evidence on the alternate Nitrogen Surplus proxy are to:

- Clarify, for the avoidance of doubt, that DairyNZ does have scope to present evidence on the alternative Nitrogen fertiliser proxy,
- Demonstrate that the alternative Nitrogen fertiliser proxy:
 - characterises dairy farm systems in a more technically robust manner than the current Schedule 28 proxy;
 - is capable of feasible adoption and implementation; and;
 - can, as ECan's own s42A report notes (para 6.111), achieve ECan's desired catchment-level nutrient reduction objectives

1.16 I would now like to call Dr Steward Ledgard to present his evidence. Dr Ledgard will be joining the hearing via Skype.