

IN THE MATTER

of the Resource Management Act 1991

AND

IN THE MATTER

**PROPOSED PLAN CHANGE 7 TO THE
CANTERBURY REGIONAL LAND AND WATER
PLAN**

BETWEEN

DairyNZ Limited

AND

Canterbury Regional Council
(Environment Canterbury)

**HEARING STATEMENT OF BIANCA SULLIVAN
FOR DAIRYNZ LIMITED**

25 September 2020

1. Kia ora koutou, thank you for the opportunity to present to you today. My name is Bianca Sullivan and I am a Director and environmental planner at Enviser Limited. I prepared planning evidence on behalf of DairyNZ on Part B of proposed Plan Change 7 concerning the Orari Temuka Opihi Pareora (OTOP) sub-region. I am joined by Dr Graeme Doole, DairyNZ Principal Economist, who is presenting the evidence statement prepared by Ms Jennifer Leslie, DairyNZ Economist whose pregnancy has prevented her from being here today.
2. I have focussed my hearing statement on the National Policy Statement for Freshwater Management 2020 (NPS-FM 2020) and whether I consider the key amendments suggested in my statement of evidence are consistent with this document. I consider that the Panel should place substantial weight on the objective and policies of this document – along with the concept of Te Mana o Te Wai – where such consideration is within the scope of submissions.
3. My hearing statement is arranged under the following will focus on the remaining matters DairyNZ wishes to see resolved following the release of the Section 42A Officers' report.

Lake Opuha ammoniacal nitrogen concentration

4. DairyNZ's submission and my statement of evidence requested amendments to the ammoniacal nitrogen limits for Lake Opuha in Table 14(e). A 95% species protection level (attribute state B of the NPS-FM 2014) was requested, rather than a 99% species protection level (attribute state A of the NPS-FM 2104), reflecting that Lake Opuha is an artificial lake constructed as an irrigation reservoir.
5. The numeric values for each attribute state are the same between the NPS-FM 2014 and NPS-FM 2020, however the national bottom line has shifted from attribute state D to between attribute bands B and C. This does not affect the relief sought by DairyNZ, which I consider will still give effect to the NPS-FM and more realistically reflect the characteristics of Lake Opuha.
6. I also note that the attribute state A limit proposed in Table 14(e) of PC7 is inconsistent with the target of 0.350 mg/L total nitrogen in Table 14(f), which equates to attribute B in both the NPS-FM 2014 and NPS-FM 2020.

Policies 4.4.18 and 4.4.19

7. As discussed in paragraphs 22 to 35 of my statement of evidence, I support the consolidation of Policies 4.4.18 and 4.4.19, however I recommended further amendments, principally:
 - to only require the second staged nitrogen reduction if the nitrate nitrogen limits and targets in Tables 14(d) to 14(g) are not met or on the road to being met by 1 January 2030;
 - extending the second staged nitrogen reduction from 1 January 2035 to 1 January 2040; and
 - providing more flexibility for durations for consents to farm by relying on the region-wide Policy 4.74.

8. As covered in my evidence, I consider that linking the reductions to achievement of water quality targets and limits will further focus farmers on achieving water quality improvements. It will also broaden the focus away from only those improvements that can be counted as nitrogen loss reductions in Overseer. The s42A report rejected these amendments, considering the nitrogen discharges may increase once targets have been met. I do not accept this, as nitrogen loss rates will be strictly controlled through the conditions of consents to farm, as is the case now. I discuss this further in paragraphs 29 and 30 of my statement of evidence.

9. Such an approach will also likely encourage further water quality monitoring from groups and individuals within the community, with a greater interest and buy-in to tracking water quality. My understanding is that Environment Canterbury do not have the resources to undertake monitoring across the region at a level of detail suitable for determining compliance with plan targets and limits. They are therefore reliant on working with other parties to ensure that monitoring is undertaken in an integrated manner. The approach I propose will incentivise other parties to invest in monitoring in a co-ordinated way with Environment Canterbury.

10. In my view such an approach is more likely to achieve the water quality limits and targets in a shorter time period, through focusing farmers on meaningful actions rather than what is needed to best reduce N-loss numbers through a model. This will better achieve

the NPS-FM 2020, particularly policies 13, 14 and 15¹. It will also better prioritise the health and well-being of water bodies and freshwater ecosystems, as required by Objective 1, Policy 1² and the concept of Te Mana o Te Wai.

11. Turning to extending the second staged nitrogen reduction from 1 January 2035 to 1 January 2040, I refer here in part to the statement of evidence of Ms Leslie and the presentation of Dr Doole, as well as paragraphs 25-27 of my statement of evidence. There is a considerably greater economic impact to achieve the 2035 reductions than to achieve the 2030 reductions, but with a tighter timeframe.
12. A key point here, which I discuss at paragraph 24 of my statement of evidence, is the lack of assessment by Environment Canterbury of the cumulative effects of the nitrogen reductions and the environmental flow regime. Each will improve water quality and ecosystem health and perhaps the water quality limits and targets will be achieved faster than anticipated by the independent assessments. While the cumulative effects on water quality and ecosystem health are likely to be greater than assessed, the cumulative economic impact is likely to be more severe, as discussed by Dr Doole. As is the case in the Hakatere / Ashburton River catchment, where consents are being reviewed to implement LWRP minimum flows, many farmers are converting to deep groundwater takes, at a considerable cost, due to loss of water availability through higher minimum flows. As stated in my evidence, I consider this lack of assessment to be a major omission in the preparation of PC7.
13. Given these uncertainties, along with the potentially considerable economic impacts, I consider that shifting the 2035 target to 2040 is appropriate. This will provide more time to determine if implementing the 2030 targets has achieved the anticipated water quality improvements and provide a more achievable timeframe for the farming community to implement the required on-farm changes.
14. In conclusion, I consider that the amendments sought to Policies 14.4.18 and 14.4.19 are still appropriate and are consistent with the NPS-FM 2020.

Policy 14.4.20A

¹ Refer to Appendix 1 for the full text of these provisions.

² Refer to Appendix 1 for the full text of these provisions.

15. As stated in paragraph 36 of my statement of evidence, I support the intent of Policy 14.4.20A to provide time extensions to those farmers who are able to demonstrate that they are making good progress towards achieving the nitrogen loss reductions but need further time. I agree that there should be strict criteria around granting such extensions and that there should be a clear expectation in the Plan that the nitrogen loss reductions are to be met by the timeframes specified in Table (zc). However, economic circumstances may, in some circumstances, mean that an extension may assist a farm to remain viable. This should only apply to those who have already substantially reduced their nitrogen losses, the continuation of which would be locked in through conditions of their consent to farm.
16. The amendments recommended in the s42A report would likely preclude all farmers from qualifying for an extension, for the reasons outlined in paragraphs 32 to 47 of my statement of evidence. There is little discussion in the s42A report to justify these amendments. Rather than only considering improvements made during the 2009-2013 baseline period, which would preclude most if not all farmers, I consider it appropriate to consider improvements beyond the baseline GMP loss rate that were attained prior to 1 July 2020 (the date for achieving GMP).
17. I consider that a key consideration for this policy is whether the farmer has had to implement the amended environmental flow regime (in addition to making significant reductions in nitrogen losses). This will likely have had greater economic impacts, as discussed above and by Dr Doole, and would also have resulted in additional environmental gains.
18. I have suggested amendments to this policy in paragraph 47. I have considered these amendments against the NPS-FM 2020 and consider that they are still appropriate.

Table 14(zc)

19. I have discussed the proposed nitrogen loss reductions above in relation to Policy 4.4.18, requesting that the percentage reductions proposed to be achieved by 1 January 2035 be extended to 1 January 2040, and that this later reduction only be required if water quality outcomes are not met, or on the pathway to being met, by 1 January 2030. Amendments are required to Table (zc) to achieve this, which are detailed in my

statement of evidence. I consider that these are still appropriate, along with the other amendments recommended to this table.

Conclusion

20. This hearing statement has only addressed those amendments offered in my statement of evidence where I consider further discussion was warranted following the release of the NPS-FM 2020. I have considered the relevance of other amendments sought in my statement of evidence; in my view they are still relevant but did not warrant further discussion here.

21. While I consider that the outcomes sought through PC7 are appropriate, the nutrient management provisions proposed to achieve these outcomes could be improved to reduce impacts on the farming community and potentially achieve these outcomes sooner. In my view, the suggested approach and amendments will better implement the NPS-FM 2020.

Bianca Sullivan

25 September 2020

Appendix 1: Provisions referenced from the National Policy Statement for Freshwater Management 2020

Objective 1

The objective of this National Policy Statement is to ensure that natural and physical resources are managed in a way that prioritises:

- (a) first, the health and well-being of water bodies and freshwater ecosystems
- (b) second, the health needs of people (such as drinking water)
- (c) third, the ability of people and communities to provide for their social, economic, and cultural well-being, now and in the future.

Policy 1: Freshwater is managed in a way that gives effect to Te Mana o te Wai.

Policy 13: The condition of water bodies and freshwater ecosystems is systematically monitored over time, and action is taken where freshwater is degraded, and to reverse deteriorating trends.

Policy 14: Information (including monitoring data) about the state of water bodies and freshwater ecosystems, and the challenges to their health and well-being, is regularly reported on and published.

Policy 15: Communities are enabled to provide for their social, economic, and cultural well-being in a way that is consistent with this National Policy Statement.