

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 CHARLOTTE WRIGHT
FOR DAIRYNZ LIMITED**

25 September 2020



24 Millpond Lane

Lincoln 7608

1. Kia ora koutou, my name is Charlotte Wright, and I am a Senior Policy Advisor at DairyNZ. I am presenting evidence on the Waimakariri section of Plan Change 7 to the Canterbury Regional Land and Water Plan on behalf of DairyNZ. I am joined by Dr Graeme Doole, DairyNZ Principal Economist, and Dr Helen Rutter, Senior Hydrologist, Aqualinc.
2. Bianca Sullivan will lead the presentation of DairyNZ's evidence on the Opihi Temuka Orari Paereora (OTOP) Section of the Plan Change and will also be joined by Dr Graeme Doole.
3. Copies of our hearing statements and presentations have been provided to the panel.
4. My hearing statement will focus on the key matters DairyNZ wishes to see resolved following the release of the Section 42A Officers' report.
 - i. Retention of 2030 reductions
 - ii. Deletion of 2050 N-loss reductions onwards from Table 8-9.
 - iii. Retention of 2040 N-loss reductions as a 'regulatory backstop' alongside a more explicit adaptive management regime.
 - iv. The limited availability of information from the panel involved in developing the groundwater model used by Environment Canterbury, and lack of external peer review of this model.

Retention of 2030 reductions

5. The authors of the S42A report suggest there are opportunities to consider a 20 or 30% reduction by 2030, but caution that further analysis will likely be necessary, should the hearing panel wish to consider this option. In the interim, the council officers have not made any recommendations to amend the 2030 reductions in their s42A report. DairyNZ supports this approach.
6. Dr Doole has carried out some further analysis of the 30% by 2030 option in section 11 of his statement of evidence. Dr Doole found that, '*accelerated nitrogen loss*

reductions also greatly harm farm solvency, as measured by the debt to asset ratio (DAR).¹ DairyNZ is extremely concerned that the current proposed reductions will already affect the solvency of some farm businesses in the Waimakariri District, and that accelerated reductions would further increase the number of farm businesses facing insolvency. DairyNZ considers that the currently proposed reduction of 15% beyond baseline Good Management Practice is a more appropriate first goalpost for farmers to achieve.

Deletion of 2050 N-loss reductions onwards from Table 8-9.

7. The Council Officers assert that *'Removing the proposed reductions beyond 2030 or 2040 from Table 8-9 would result in a gross understatement of the actions required to improve water quality.'*² DairyNZ seeks only the removal of 2050 reductions and beyond. It is DairyNZ's view that retention of the 2030 reductions, and the 2040 reductions as a regulatory backstop³, provides a clear indication that significant change is required to address water quality issues. While the council officers raise an important point, in DairyNZ's view, the modelled groundwater outcomes do not provide a sufficient level of certainty⁴ to justify the anticipated highly significant economic impacts from reductions of 45% proposed at 2050 and beyond.⁵ Additionally, the retention of the 2050 reductions (and beyond) would also likely result in divisiveness and likely disengagement of the dairy farming community, which may work against the commitment needed by farmers and others to achieve long-term community water quality goals.

Retain 2040 N-loss reductions as a 'regulatory backstop' alongside a more explicit adaptive management regime.

8. The Council Officers' report rejects DairyNZ's request in its submission⁶ for a more explicit adaptive management approach to be set out in PC7 – Waimakariri. The Officers' report states, *'We note that the long-term targets (and associated reductions in nitrogen losses), along with 10-year plan review cycles, will enable provisions to*

¹ Refer evidence of Dr Doole, paragraph 11.5

² Section 42A Report, paragraph 8.1333

³ Refer evidence of DairyNZ with amendments to Policy 8.4.25, paragraph 7.7

⁴ Refer evidence of Dr Rutter, section 2 in particular

⁵ Economic impacts of proposed 2050 reductions are set out in the evidence of Dr Doole.

⁶ Submission paragraph 34. Deletion of 2040 reductions: PC7-357.42

*change and adapt as further information and new technologies become available. We do not consider it necessary or appropriate to include a true adaptive management approach as part of the PC7 provisions.*⁷

9. DairyNZ agrees that an adaptive management approach is implicit in the plan review process. In addition, Policy 8.4.35 does require reporting of progress towards freshwater outcomes and limits. However, a clear linkage between measured water quality outcomes and future nitrogen-loss reductions is currently missing from the plan. DairyNZ considers it critical that this linkage be strengthened to both engage and provide clarity and confidence to farmers that improvements in water quality achieved through on-farm actions will be recognised and will help shape the need for further land management change. Additionally, a strengthened linkage between measured water quality outcomes and future nitrogen-loss reductions will incentivise farmer investment in catchment-scale mitigations, and potentially more effective and efficient water quality outcomes than those achieved through nitrogen-loss reductions alone. DairyNZ has sought an amendment to Policy 8.4.25 in evidence⁸ as follows on the following page.

⁷ 8.175

⁸ Refer evidence of Charlotte Wright, paragraph 7.7

Policy 8.4.25 'Nitrate-nitrogen limits for the Waimakariri sub-region are achieved, and risks of degraded water quality in potential future impacts on the nitrate-nitrogen concentrations of waterbodies outside the Waimakariri Sub-region are managed by:

- a. *further restricting, relative to the region-wide rules, the area of land used for a farming activity as a permitted activity, and the area of winter grazing that may occur as a permitted activity; and*
- b. requiring any resource consent granted for the use of land for a farming activity, or any permit granted for a discharge associated with a community wastewater activity, to apply monitoring and response conditions which align with the water quality limits and targets set out in Tables 8-5, 8-6, 8-7 and 8-8 and relate specifically to effects caused by the activity.
- c. The monitoring and response conditions as outlined in (b) above will respond to monitoring and analysis reports onto water quality and trends as required by Policy 8.4.35.

d. Requiring within the Nitrate Priority Area, further reductions in nitrogen loss from farming activities (including farming activities managed by an irrigation scheme or principal water supplier) by 2030 in accordance with Table 8-9, provided that any further stage of reduction required is greater than 3 kg of nitrogen per hectare per year for dairy, or 1

Page 20 o

kg of nitrogen per hectare per year for all other farming activities.

; and

e. Requiring, within the Nitrate Priority Area, further reductions in nitrogen loss from farming activities (including farming activities managed by an irrigation scheme or principal water supplier) by 2040 in accordance with Table 8-9, if insufficient progress towards the nitrate nitrogen limits and targets in Tables 8-5, 8-7 or 8-8 is not made by 1 January 2030.'

Limited availability of information from the panel involved in developing the groundwater model, and lack of external peer review

This has been discussed in Dr Rutter's evidence & hearing statement. While it is not a matter for addressing within the plan, this is a significant issue that reduces the level of confidence DairyNZ has in the modelling used to underpin significant land management decisions, with far-reaching subsequent socio-economic consequences.

Charlotte Wright

DairyNZ

25th September 2020

Provision/Topic	Submission point	Relief sought	Reasons	S42A response	Position in evidence	Relief sought at hearing
Managed Aquifer recharge	PC7-357.4	Amendment to Policy 4.99(a) to include 'or the benefits of MAR achieve the equivalent benefits of alternative mitigations'.	enabling MAR as an alternative to other mitigations allows community outcomes to be achieved more efficiently, providing MAR achieves equivalent or better community outcomes.	It is anticipated that MAR may be used alongside measures such as the adoption of GMP to improve water quality. To ensure that it is clear that Policy 4.99(a) requires other mitigation to be implemented in addition to MAR, it is recommended that 'alternative mitigations' be changed to 'further mitigations' in	It appears then, that the intent of the policy is to allow for MAR, providing GMPs are in place, as opposed to reductions beyond GMP. Providing I have interpreted this correctly, I agree with this approach, and seek that 'further mitigations' be defined accordingly.	Amendment to Policy 4.99: Improve the quality and/or quantity of groundwater, and any hydraulically connected surface water body, by providing for managed aquifer recharge where: a. <u>Alternative further mitigations</u> <u>Good Management Practices</u> , in addition to managed aquifer recharge, have or will be

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				clause (a) of Policy 4.99.		implemented to improve water quality and quantity...'
Retention of 2030 N-loss reductions (maintain at 15%)	PC7-357.42	Retain 2030 reductions (maintain at 15%)	15% by 2030 is an appropriate first goalpost.	Increased reductions could be considered by the panel. However, further analysis would be necessary	Retain 2030 reductions (& maintain at 15%)	Retain 2030 reductions (maintain at 15%). Further analysis on increased reductions would be necessary. Dr Doole's analysis of the implications of a 30% reduction by 2030 is a starting point.
Deletion of 2050 N-loss reductions & beyond	PC7-357.42	Delete 2040 reductions & beyond			Delete 2050 reductions & beyond.	Delete 2050 reductions & beyond.

Provision/Topic	Submission point	Relief sought	Reasons	S42A response	Position in evidence	Relief sought at hearing
Retention of 2040 N-loss reductions	PC7-357.42	Delete 2040 reductions onwards	Significance of economic impacts & insufficient level of certainty in groundwater modelling that is needed to underpin proposed provisions.	2040 reductions should be retained. No need for more explicit adaptive management response to be written into plan.	Retain 2040 reductions, unless sufficient progress towards water outcomes is made. Change in position due to further information becoming available during development of evidence.	Retain 2040 reductions, unless sufficient progress towards water outcomes is made