

**BEFORE COMMISSIONERS APPOINTED
BY THE CANTERBURY REGIONAL COUNCIL**

IN THE MATTER of the Resource Management Act 1991

AND

IN THE MATTER of the First Schedule to the Act

AND

IN THE MATTER of Canterbury Regional Council proposed Plan
Change 7 to the Canterbury Land and Water
Regional Plan

AND

IN THE MATTER of submissions under clause 6 First Schedule

BY **BEEF + LAMB NEW ZEALAND LIMITED**
Submitter

HEARING STATEMENT

2 December 2020

Beef + Lamb New Zealand
Lauren Phillips
South Island Environment Policy Manager
50 Langdons Road
Christchurch
8053

18/02/2019

Thank you for the opportunity to heard in relation to Beef + Lamb New Zealand (B+LNZ) submissions on the proposed Plan Change 7 (PC7) to the Canterbury Land and Water Regional Plan (the Plan).

Introduction

1. My name is Lauren Phillips. I am the Environment Policy Manager for the South Island for B+LNZ.
2. B+LNZ is an industry-good body funded under the Commodity Levies Act through a levy paid by producers on all cattle and sheep slaughtered in New Zealand. Its mission is to deliver innovative tools and services to support informed decision making and continuous improvement in market access, product positioning, and farming systems.
3. The organisation is actively engaged in environmental issues that affect the pastoral production sector, and in building famer specific capability and capacity in these areas to ensure that the industry supports an ethos of environmental stewardship, together with a vibrant, resilient, and profitable sector. Maintaining and where degraded enhancing the health of freshwater, aquatic habitats, and biodiversity across the region is important to the people of the Canterbury Region, it is important for our economy, and it is important to farmers.
4. The sheep and beef sector employs approximately 92,000 people in full time equivalent roles, nationally. Sheep and beef farms are an integral component of Canterbury's primary sector, and they contribute significantly to the region's economy, communities, and culture.
5. PC7 has the potential to affect the sheep and beef sector – particularly extensive farm systems – disproportionately to the sector's environmental impact and would have the effect of regulation for regulation's sake, rather than for environmental benefit.
6. B+LNZ has submitted that there are numerous issues with the plan which affect sheep and beef farmers, for which stated relief is sought within the original submission dated 13 September 2019.
7. This statement builds on the substantive issues raised there and introduces the background for B+LNZ's expert witnesses.

18/02/2019

Statement on Submissions

8. I am speaking to the submissions made by B+LNZ to PC7, submitted 13 September 2019.
9. B+LNZ has participated given feedback at several points along the journey to notifying PC7, including a presentation (annexed as **Appendix A¹**) and feedback to the Waimakariri Zone Committee, feedback on the Waimakariri draft Zone Implementation Addendum and feedback on two occasions to the Orari Temuka Opihi Pareora ('OTOP') on their draft Zone Implementation Addendum. Following notification, B+LNZ made submissions on PC7.
10. B+LNZ submitted partly in support and partly in opposition to PC7, and this statement will focus on five main topics where B+LNZ has opposed provisions in the Plan.
11. These topics include:
 - (a) Commercial Vegetable Growing Operation definition; and
 - (b) Highest Groundwater Level definition; and
 - (c) Indigenous Freshwater Species Habitat definition; and
 - (d) Requiring higher activity status resource consent application for farmers with management plans (MPs) than for farmers with farm environment plans (FEPs); and
 - (e) Provisions which reinforce grandparenting of nutrients in the Waimakariri and OTOPI subregions.
12. The effect of the proposed provisions in these five topics is regulation for regulation's sake, often disproportionate to the risk an activity poses to the environment, and without actual benefit to the environment.

A. Commercial Vegetable Growing Operation

13. Commercial vegetable growing is an intensive system with high inputs and is generally classified as a high-risk activity for adverse environmental effects. It is a complex system, however, which is difficult to manage with the rules which might manage effects from pastoral systems. Environment Canterbury introduced a suite of rules specific to commercial vegetable growing to try to address this. V+LNZ has opposed the proposed

¹ Please note that the 30% reduction figure in the presentation to the Waimakariri Zone Committee is a notional figure only used as an example.

definition of Commercial Vegetable Growing Operation ('CVGO') and therefore the associated suite of rules because the proposed definition currently includes the words "and pasture".

14. As discussed in the evidence by Mr Andrew Burt and Dr Jane Chrystal, sheep and beef farmers often have diverse income streams. This can and does include arable and vegetable crops for human consumption whether by the drystock (red meat) farmer herself or where the farmer leases land out to a vegetable grower. Following a cycle of grazed pasture between crops helps to repair soil structure, reduces disease and pests, and raises carbon matter in the soils; so it is a cycle which provides for long term sustainability in using the land for vegetable growing. The relationship between vegetable growing and pastoral systems tends to be with the drystock sector because dairy land is very rarely used for that purpose. This means that the words 'and pasture' will affect the sheep and beef sector more than other pastoral sectors.
15. Sheep and beef pastoral systems are recognised as predominantly low risk activities, however. This is supported by Dr Jane Chrystal's evidence in support of B+LNZ submissions on PC7. In our submission, by including pasture in the definition of CVGO, those regulations intended for high-risk activities are now extended to cover low risk pastoral farming.
16. It is submitted that this is inappropriate, as the wording captures the situation where crops for human consumption might occasionally be grown as an intermediate crop in a predominant pastoral operation.
17. The notified definition captures all rotations in a CVGO which may include an extended pasture phase, and therefore the regulations associated with it would extend to low risk pastoral systems.
18. Blanket application of the proposed rules is inefficient and ineffective in controlling the activity relative to the significance of the emissions. It would restrict sheep and beef farmers unnecessarily and require them to obtain a resource consent for the pasture phase. It would also discourage the relationship between pastoral and vegetable growing which is beneficial for the soils, because pastoral farmers would prefer to avoid the regulation and need for a resource consent.
19. B+LNZ supports the S42A recommendation in Appendix E to remove the words 'and pasture' from the definition of CVGO and is neutral on the S42A recommendation to remove the word 'operation'. The revised definition would read as follows:

Commercial vegetable growing is a sub-set of 'farming activity' and means the growing, for the purpose for commercial gain, of vegetable crops for human consumption, on one or more parcels of land held in single or multiple ownership (whether or not held in common ownership) that constitutes a single operating unit but excludes vegetable crops grown under cover.

B. Highest Groundwater Level

20. PC7 proposed to delete an existing high groundwater level definition and replace it with a new one:

Highest Groundwater Level means the single highest elevation to which groundwater has historically risen that can be reasonable inferred for the site, based on all available hydrogeological and topographic information

21. B+LNZ opposed this proposed definition out of concern that the definition was not time-bound to current or near historical groundwater levels and further concern that the suite of rules associated with this definition applied to existing activities as well as new activities, as confirmed by one of CRC's PC7 authors, Andrea Richardson, by email on 2 September 2019. The notified definition is considered inappropriate for temporal range and lacks certainty for plan users.
22. B+LNZ understands the need to respond to and plan for changing groundwater levels, weather events, and even season shifts resulting from climate change. The existing definition used to manage the suite of rules mentioned above is Seasonal High Water Table and it is defined as '*at the time the activity is established, the highest elevation that the water table has reached between the months of June and August inclusive*'.
23. That definition is based on an assumption that the greatest rainfall season is over autumn and winter, which means that the water table is highest over the June-August period. Due to a number of factors including climate change, this assumption cannot always be relied on and having the definition tied to those months may not allow CRC the flexibility to respond to changing environments, particularly in response to the effects of climate change.
24. B+LNZ's concerns are that the proposed new definition:
- (a) Fails to provide for changes in groundwater levels because historical and topographical evidence of groundwater levels are inherently backwards looking rather

an allowing for dynamic change now and in future. It therefore fails to provide actual environmental benefit; and

- (b) Provides no certainty for farmers or standardisation in how the definition is applied. Failing to bind this definition temporally means that one could technically go back over an unlimited time span to derive the highest groundwater level. For instance, it is common knowledge that much of the Christchurch District and even Christchurch City was under water when European settlers arrived. The landscape has been significantly altered as a result of large-scale wetland and high groundwater drainage; however historical and topographical information will indicate that where we now have houses, pasture, and infrastructure, that land can be reasonably inferred to have been below the highest groundwater level. This is a perverse outcome; it is impractical and it gives CRC an almost unfettered discretion in how the rules associated with this definition are applied.
 - (c) Makes a number of normal practices on farm, such as existing offal pits, unlawful where they have been established in good faith based on the regulations at the time, and where moving them may be unsafe, unnecessarily expensive, or even impossible.
 - (d) Requires the farmers to obtain a resource consent for existing or new activities where doing so will not necessarily lead to actual environmental benefit, representing regulation for regulation's sake.
25. The S.42A report addresses the issue by recommending that Highest Groundwater Level be amended to:
- the single highest elevation to which groundwater has historically risen that can be reasonably inferred for the site, based on all available relevant hydrogeological and topographic information.*
26. B+LNZ submits that this amended definition fails to address the material issues with the definition itself as laid out above; and opposes that definition.
27. In its submissions of 13 September 2019, B+LNZ proposed an alternative definition to address all of the issues laid out above and to allow CRC the flexibility to address a changing environment and water table levels while managing the activities that might adversely affect groundwater:
- Highest Groundwater Level means, at the time the activity is established, the highest elevation that the water table has reached, taken over an average of the preceding 10 years*

28. B+LNZ submits that this remains the most practical approach which offers actual environmental benefit.
29. B+LNZ is concerned about the number of provisions, including this one, which would effectively force permitted activity land users to obtain a resource consent for farming activities. In fact, when looking at the proposed PC7 as a whole, it can appear that CRC are trying to capture as many farming activities under resource consent irrespective of risk to the environment and despite providing permitted activity pathways for low risk systems in the first place. For example, proposed Rule 14.5.17(7) sets a threshold of 20ha for land in winter grazing where any part of the landowner's property is in the High Runoff Phosphorus Zone, even if the winter grazing is not located in that zone. B+LNZ also notes that consents for farming activities can result in the consent holder being captured by requirements to make percentage reductions in nutrient losses under provisions proposed by PC7.

C. Indigenous Freshwater Species Habitat

30. B+LNZ has opposed the definition of Indigenous Freshwater Species Habitat and therefore all of the associated regulation that it pertains to.
31. B+LNZ appreciates that CRC would like to protect habitat for indigenous freshwater species to ensure that we can enjoy New Zealand's living taonga into the future. The requirement to protect has only been strengthened by recent amendments to the National Policy Statement for Freshwater Management that increases protections for indigenous freshwater species and their habitats. The overwhelming feedback that B+LNZ has had from its farmers is that they too value our indigenous species and want the same outcome. However, how one achieves that outcome needs to be fair, sensible, and grounded in reality.
32. The Indigenous Freshwater Species Habitat (IFSH) map layer identifies reaches of waterbodies that, coincidentally, fall largely on sheep and beef farming areas. Many of these farms will be low risk, extensive, and permitted activities; and as such there is proportionately lower levels of regulation for those systems. The implications for extensive pastoral farms are disproportionate to other plan users, due to the greater spatial complexity of the habitat in the higher-order streams found in such farm types. Significant spatial coverage can be expected inside each extensive sheep and beef farm compared to lowland intensive operations.

33. Therefore, because our members have proportionally more landscape to which the proposed rules apply, a more equitable approach is sought.
34. As discussed in Ms Annabelle Coates' evidence, the map layer is fundamentally flawed. The IFSH definition is directly tied to this map layer, and the rules and policies that follow are directly tied to the definition, which presents a problem for the entire package of regulation. Without expounding Ms Coates' evidence, the flaws can be summarised as:
- (a) The layer is based on records which may no longer be current; and
 - (b) The approach to identifying the protected reaches is inconsistent; and
 - (c) There are inaccuracies within the map; and
 - (d) Some of the reaches identified have no or little ecological value.
35. The regulation associated with the IFSH layer will have significant implications for the farmers who are affected by it. B+LNZ submits that the IFSH regulation package should be amended to avoid regulating those farmers for regulation's sake, without providing actual environmental benefit. Allowing the IFSH regulation package to become operative 'as is' would be imposing regulations completely disproportionate to risk, especially for those reaches that no longer exist, have low/no ecological value, cannot support indigenous species for one reason or another, or where the species are simply not present.
36. B+LNZ recognises that mapping, surveying, and modelling is major undertaking and this may have contributed to some of the flaws we see with the IFSH map layer in order to reduce costs and time, particularly where outdated records have been relied on to identify protected reaches. B+LNZ proposes to amend the IFSH definition instead, as a more cost effective, faster, and more equitable solution.
37. All of the IFSH map layer flaws identified by Ms Coates can be resolved by accepting B+LNZ's proposed amendment to the IFSH definition, which is to ground proof the IFSH reaches with a suitably qualified and experienced practitioner ('SQEP'), provided by CRC at CRC's cost.
38. B+LNZ's proposed amendment is as follows:

Means an area identified as 'Indigenous Freshwater Species Habitat' on the Planning Maps, and which provides habitat for at least one of the freshwater species listed below where the presence of that species has been confirmed by a suitably qualified and experienced practitioner:

1. Giant kokopu/Taiwharu (*Galaxias argenteus*)
2. Lowland longjaw galaxias (Waitaki) (*Galaxias cobitinis*)
3. Canterbury mudfish/ Kowaro (*Neochanna burrowsius*)

4. *Bignose galaxias (Galaxias prognathus)*
5. *Shortjaw kokopu (Galaxius postvectis)*
6. *Northern flathead galaxius (Species N (Undescribed))*
7. *Lamprey/ Kanakana (Geotria australis)*
8. *Freshwater crayfish/ Kekewai (Paranephrops zealandicus)*
9. *Freshwater muddel/ Kakahi (Echyridella menziesi)*

39. B+LNZ further submits that the ground proofing by a SQEP should be undertaken before CRC proposes a blanket policy or shifting costs to individual landowners.

D. Management Plans and Farm Environment Plans

40. The Plan provides for lower risk pastoral systems through permitted activity pathways, recognising that these lower risk systems should be managed under proportionately less onerous regulation. As part of this pathway, the Plan allows permitted activities to have a Management Plan prepared in accordance with Schedule 7A instead of a Farm Environment Plan prepared in accordance with Schedule 7. The MP is less detailed than a FEP and it does not require a nutrient budget. B+LNZ supports the exemption from requiring a nutrient budget.
41. Drystock farms are diverse and often complex, and dryland farms especially so in order to make the most of limited resources that are vulnerable to elements outside of the farmers' control, for example climate and markets. Complex systems in practical reality are also complex systems in Overseer. Sheep and beef farms easily require dozens of hours to model in the nutrient modelling programme, incurring significant cost which does not result in meaningful outcomes for managing invariably small nutrient losses to the environment.
42. The permitted activity pathway recognises the need for regulation to be proportionate to risk of adverse effects to the environment and means that those land uses which present a lower risk to the environment do not have to produce a nutrient budget or be regularly audited at the land user's own cost.
43. Incidentally, sheep and beef systems tend to fall under the permitted activity category more than any other pastoral system. This means that sheep and beef farms are more likely to have a MP than any other pastoral system, and extensive systems in particular (the lowest risk, lowest impact, lowest emitting system); and that they are least likely of any pastoral sector to hold a resource consent to farm.
44. PC7 proposes consenting pathways with lower activity statuses for activities like silage pits or fertiliser application where the contaminants might enter water, and the take and

use of surface and groundwater. These pathways, however, all require the applicant to provide a FEP and therefore a nutrient budget.

45. This effectively rules out permitted activity land users from utilising that consenting pathway, and the next available consenting pathway is often extreme. For example, proposed Rule 5.40 offers a restricted discretionary activity pathway, and failure to meet the conditions of Rule 5.40 mean that a permitted activity applicant would have to default to a non-complying activity resource consent application.
46. Provisions 5.40, 5.40A, 67A, 8.5.9, 14.5.4, 14.5.7 do not provide for MPs, and therefore permitted activities, and therefore sheep and beef farmers.
47. This is excessive and effectively either penalises land users for using the permitted activity pathway that the Plan offers; or is disingenuous because it undermines the permitted activity pathway by compelling land users to have a FEP anyway.
48. B+LNZ submits that CRC should act in good faith and that MPs should be provided for in the above provisions.

E. Grandparenting Provisions

49. In implementing the National Policy Statement for Freshwater Management several years ago, CRC chose to try to reduce nutrient contamination losses to freshwater through a grandparented nutrient allocation framework.
50. In a grandparented nutrient allocation framework, one is locked into historical nutrient losses, as determined by an Overseer nutrient budget. A baseline average of several years is normally selected to set the losses to, and one may generally not increase nutrient losses to water over and above that baseline figure. In Canterbury, the focus has been on nitrogen losses because this is the easiest to model in Overseer (as the 'N number') and leaches directly into water, whereas the pathways for sediment and phosphorus are more complex and harder to model accurately.
51. From there, CRC has generally required percentage reductions from those grandparented losses from consented farming activities, which generally represent higher impact systems with high N numbers. PC7 proposes provisions which require percentage reductions in Waimakariri and OTOP.
52. The effects of grandparenting can be understood through an analysis of Farmer A and Farmer B.

53. Farmer A's N number is 68kgN/ha/yr, Farmer B's N number is 12kgN/ha/yr. Both farmers are grandparented to those N numbers and may not increase over them. They are also then required to make 10% reductions in their nitrogen losses as modelled in Overseer.
54. At 68kgN/ha/yr, Farmer A's system is a high impact, high risk, intensive system and would generally have high inputs. There are many inefficiencies which can be addressed in a farm with such a high N number, and even when Farmer A has tweaked these inefficiencies to achieve a 10% reduction, the system still leaches 61kgN/ha/yr. It is still a high impact, high risk, intensive system with a high N number.
55. At 12kgN/ha/yr, Farmer B's system is a low impact, low risk, reasonably extensive system with low inputs. There are few inefficiencies in that system and the farmer will likely already be farming to the natural limitations of the land. Failure to observe those limitations would have already resulted in environmental collapse, usually seen in soils; and/or stock would have starved, or the business would have failed. This means that there is little Farmer B can do to reduce further from 12kgN/ha/yr to achieve the 1% reduction. Dr Chrystal expounds on the limited levers that low emitting systems have to reduce their nitrogen losses. Farmer B is also less able to respond to market demands, changes in technology, drought, or make any changes in the farm system because Farmer B's N number is too low to allow for any flexibility within the system without the risk of increasing in nitrogen losses by at least a couple of kgN/ha/yr.
56. Off farm, relative land prices are affected because the potential that Farmer B's land had in terms of land value is diminished because Farmer B can never intensify, even if Farmer B never intended to anyway. This reduces the equity Farmer B holds in the land and reduces the farm's resilience, because there is less equity to borrow against to replace infrastructure, buy feed in a drought, upgrade to water reticulation in response to stock exclusion regulations, or tide the farm over in a year where prices are low. Farmer A's land is not affected the same way, and the higher the N number the more flexibility the land has, and therefore the more value the land has.
57. This is how grandparenting has played out in Canterbury, with the effects most keenly experienced in areas like North Canterbury where the divide between extensive (often hill and dryland) and intensive (often flat and irrigated) is pronounced.
58. The sheep and beef sector is overwhelmingly Farmer B. As Dr Chrystal has shown in her evidence, the sheep and beef sector is a lower risk, lower impact system and this is the case even with most intensive or irrigated sheep and beef systems. Sheep and beef farms

- in Canterbury tend to be dryland and/or extensive, however, with low N numbers. They are disproportionately adversely affected by a grandparented nutrient allocation system
59. As explained throughout the PC7 journey and reflected in the all of B+LNZ feedback to CRC in every plan change submitted on; the contaminant losses from extensive dryland farms, as well as the nitrogen attenuation rates from that land, are different to attenuation rates for irrigated land. The different farm systems should not be broad-brush regulated under the same risk assessment, as they do not pose the same risk of nutrient contamination to the freshwater environment.
 60. Grandparenting nutrients is inherently inequitable. It rewards land users who have had the greatest adverse impacts on the environment while penalising land users who have had the smallest impact on the environment and have been farming within the natural limits of their land. The low impact land users ‘take the haircut’ for high impact land users.
 61. Grandparenting nutrients also fails to achieve meaningful environmental outcomes. While the approach appears to be harsh – and it is harsh to Farmer B – it effectively allows high impact systems to continue having a significant impact on the environment. In RMA terms, the concept of grandparenting is normally about specifically recognising or providing for activities that already exist to continue producing their existing level of effects either permanently or for a defined period, but imposing immediate obligations on new entrants. As the Environment Court observed in its decision on the Horizons One Plan, it is understandably favoured by existing operators who rationalise it by reference to their prior investment.
 62. B+LNZ proposes a more equitable framework which rewards efficient systems and provides for environmental benefit, incentivising farming within environmental limits; based on the natural capital framework. This framework has been set out in B+LNZ’s submission on PC7 and in the B+LNZ Principles for Allocation of Nutrients (annexed as **Appendix B**), the mechanism for which has been simplified in Slide 5 of Appendix A.
 63. The ‘floor’ established by a natural capital approach is the environmental limit of a catchment. Natural capital proposes that, provided land users remain within that floor, they have the flexibility to change and adapt their system in a way that grandparenting does not allow. Those land users who are operating above the floor need to change to farm within environmental limits. They need to be given the time to do so, but they must be responsible for their own contaminant losses and other land users should not be penalised to soften the impact of change on land users who do not farm within environmental limits.

64. B+LNZ has opposed Provisions 14.4.18, 19, 20, 20A, 28, 41; and 14.5.19, 20, 21, 22, 23, and Table 14(zc); and 8.4.25, 26, 27; and 8.5.25, 26, 27; and Table 8-9, on the following grounds
- (a) The measures and provisions proposed represents a one size fits all approach that grandparents nutrient losses to the environment. This approach does not provide for the economic or social wellbeing of the land users and communities affected by it, and is also not the most effective way to achieve the desired environmental results.
 - (b) Nutrient management or allocation should be based on principles of sustainable management including providing for future generations, and which incentivise land use and land use change appropriate to soils, climate, and achievement of water quality outcomes. Nitrogen allocation and methods for managing Nitrogen should not reward current land uses and practices where nutrient discharges exceed the assimilative capacity of soils and water.
 - (c) Management approaches should ensure that those activities and land uses which are contributing the most to the overallocated parameter bear the majority of the cost of reducing the overallocation (polluter pays principle).
 - (d) PC 7's proposed approach means that land uses with the lowest leaching rates or impacts on the environment – arguably not the intended target of the proposed provisions – will be the most affected by proposed provisions. They have the fewest levers to pull in terms of reducing already lower nutrient losses, and it is harder to make reductions from an already efficient system. The proposed framework can make it harder for a system to remain viable while the higher impact systems are able to remain operating due to the greater flexibility in their system. This is a perverse outcome which would have corresponding social and economic repercussions for the communities that the land users of these systems are part of.
65. Both Waimakariri and OTOP subregions set permitted thresholds of irrigation and winter grazing, both high risk activities; and require percentage reductions in nitrogen losses for consented farming activities.
66. Specifically for Waimakariri sub-region, Table 8-9 essentially sets a 'floor' of 10kgN/ha/yr leaching rates for non-dairy systems and 30kgN/ha/yr for dairy systems by stipulating that the required reductions for land uses that are captured by the percentage reductions in that table do not need to be made if the reductions are equal to or less than 1kgN/ha/yr and 3kgN/ha/yr respectively.

67. The lower nutrient loss 'floor' proposed in Table 8-9 is based on grandparented N numbers rather than environmental limits, and it inadvertently recognises the lower environmental impact of the sheep and beef sector. The huge difference in both the respective floors and the total percentage reductions supports that, despite the fact that some sheep and beef farms are intensive, use winter grazing, and/or irrigate part or all of their effective land area. If the lower floor is not, in fact, recognising the significantly lower risk that sheep and beef systems pose to freshwater quality and the difference in floors is not representative of the lower leaching rates, then there would be no justification for the difference in floors because the floors set are not based on environmental limits or they would be the same for both sectors.
68. The percentage reductions for Waimakariri would need to be made by anyone within the Nitrate Priority Area who requires a resource consent for farming land use, which covers the majority of the Waimakariri plains area. As submitted and as supported by the evidence of Dr Chrystal, a floor of 10kgN/ha/yr is set at, essentially dryland loss rates for drystock systems where there is little to no irrigation and/or winter grazing. Achieving the required percentage reductions might, in fact, not be possible while continuing those activities that land users hold a resource consent for and for which the system is under the percentage reductions framework in the first place.
69. Under Table 8-9, 'All Other' farming sectors appear to be taking a haircut to preserve flexibility for another sector's systems through a floor that is unfairly prejudiced against them and percentage reductions that rob them of their ability to exercise their resource consents for winter grazing or irrigation; even as Table 8-9 recognises 'All Other's' lower impact on the environment
70. Specifically for OTOP sub-region, blanket nitrogen reductions are once again required, and these reductions would need to be made by anyone who requires a resource consent for farming land use and is in a High Nitrate Concentration Area. Under PC 7, this will particularly target systems with more than 50ha of irrigation and/or a certain threshold of land in winter grazing.
71. Unlike in proposed changes to Section 8 Waimakariri, no default floor is established below which reductions no longer need to be made, and this is significant because the reductions apply regardless of the original actual or assumed good management practice leaching rates. A farmer whose system leaches a negligible 8kgN/ha/yr would be obliged to make percentage reductions which deliver no real benefit to the environment while having devastating effects on the farm business.

72. As with the Waimakariri, lower impact systems with efficient practices that are nevertheless required to hold a resource consent may not be able to make the percentage reductions in order to continue the activities they hold a resource consent to practice, and will be the most harshly affected by the proposed reductions. Higher impact systems – Farmer A – are better able to absorb the reductions the higher the loss is. In terms of polluter pays, the greater the pollution the greater the reward.
73. These provisions give some indication of why a grandparented nutrient allocation framework encourages gaming the system to the detriment of the environment.

Conclusion

74. Sheep and beef farmers are key to the fabric of the Canterbury region. They are there for the long haul, and ‘family’ is a primary reason behind on-farm decisions. Sheep and beef farming systems are predominantly low risk activities and regulation that applies to these systems should reflect the level of risk. To remain a resilient, vibrant and diverse sector, sheep and beef farmers require flexible land use and the ability to optimise their farming business within the environmental limits of their property.
75. Regulation should also tie into actual environmental benefit – sheep and beef farmers want the same outcomes as CRC, which is a healthy environment where taonga can be enjoyed by future generations. How that is achieved, however, should be through equitable, sensible measures which deliver real benefits. Regulation should reward those farmers who farm within environmental limits rather than penalising them.
76. As it is currently written, proposed PC7 does not achieve this. Lower risk systems should be managed under proportionately less onerous regulation and under a fair and equitable nutrient allocation framework that rewards them for treading gently through this world.

DATED 2 December 2020



Ms Lauren Phillips