

WAIKATO REGIONAL COUNCIL PROPOSED WAIKATO REGIONAL PLAN CHANGE 1 - WAIKATO AND WAIPA RIVER CATCHMENTS

Submission Form

Submission on a publically notified proposed Regional Plan prepared under the Resource Management Act 1991.

On: The Waikato Regional Councils proposed Waikato Regional Plan Change 1 - Waikato and Waipa River Catchments

To: Waikato Regional Council 401 Grey Street

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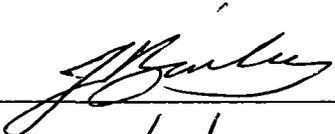
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I am not a trade competitor for the purposes of the submission but the proposed plan has a direct impact on my ability to farm. If changes sought in the plan are adopted they may impact on others but I am not in direct trade competition with them.

I wish to be heard in support of this submission.

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Signature date

8/3/17

Signature date

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GENERAL BACKGROUND TO MY SUBMISSION

1. INTRODUCTION

Thank you for the opportunity to submit on the Waikato Regional Councils proposed Plan Change 1.

I am the 5th generation to farm our family properties in Tirau, South Waikato. My core business is farming, both dry stock (Sheep and Beef) and dairy. In my farming career, I have placed great importance in reducing the impact our farming operations and have voluntarily developed farm environment plans and have begun the journey in reducing the contaminant loss from our farms.

My family and I have been fortunate to have received awards in the Balance Farm Environment Awards. We still have much work to do. It was my hope that the Healthy Rivers Wai Ora Project would enable us to continue.

Outside of my farming career I have been involved in the development of two social enterprises whose core business is education through hands on action in restoring both marine and freshwater environments.

2. REPRESENTING THE DRY STOCK SECTOR ON THE COLLABORATIVE STAKEHOLDER GROUP

I was selected to be the Dry Stock representative on the Collaborative Stakeholder Group (CSG) for the Healthy Rivers Wai Ora Project. This process has been a big part of my life over the last 3 years, a commitment that I was ready to make voluntarily to see progress for our region and our waterways. I have great respect for all those who entered the CSG process, the amount of work that was put in by all involved was incredible.

However, the CSG group was not representative of the Waikato Community. With only 1 seat out of 24 given to the dry stock sector despite being the largest sector by land area in the Waikato. Nonetheless I worked hard alongside my delegate Graeme Gleeson, my industry body Beef and Lamb NZ and, most importantly the Dry Stock Farmers of the Waikato Waipa Catchments to bring feedback into the CSG Process to inform the discussions to develop a viable way forward for our industry and others as we embark on the journey with the Waikato community to achieve Te Ture Whaimana, The Vision and Strategy.

3. GRAND PARENTING – HISTORICAL USE RIGHTS

The CSG agreed to 'no grand parenting of nitrogen' earlier in the process (no granting of historical use rights). This is important to the dry stock sector because many of us have low N leaching levels but need some flexibility to adapt with markets and climate not to mention grand parenting does little to address the actual problem of unsustainable levels of Nitrogen being lost from some farming systems.

This agreement by the CSG to not go down the 'grand parenting' route gave our sector some faith in the CSG process, unfortunately for both our sector and the river, this faith was unfounded because of the following reasons.

- The Data being used for the Technical Leaders Group Modelling of the Dry Stock sector was not representative of our sector. This was identified by myself and others.
- No consideration was given to costs to individual farmer's investment requirements for stock exclusion and water reticulation to meet the CSG's stock exclusion policies and timeframes despite my repeated advice to the group that it was unrealistic.
- The CSG was advised by the TLG at the final stages of the process that the E-coli levels we were aiming for would likely have been lower than what was present in the 1860's, which meant we were aiming for the impossible and asking farmers to rush important fencing and water reticulation

investment for an impossible target. This concern was dismissed as the timeframes for the CSG to complete its work was considered too short to reinvestigate, and I was told it “wouldn’t change anything anyway”.

- As the pressure came on to finish the CSG process we were split into subgroups to handle the huge amount of work assigned to us.
- The subgroup that was tasked with developing the requirements of mitigations on farms was dominated by dairy sector reps and associated sectors.
- It was here that the Grand parenting concept for low N leaching farm systems was re-introduced through the “Nitrogen Reference Point” (NRP) with no flexibility allowed.

4. THE DRY STOCK SECTORS FORMAL OBJECTION TO THE PLAN CHANGE

My sector and I worked hard to develop viable alternative solutions within the CSG process in good faith, however when we had exhausted all avenues I was left with only one option, to formally object to the direction that the process had taken.

I found this particularly difficult as the CSG had developed a lot of good initiative’s. However, this good work risked being negated by the grand parenting nature of the NRP, the lack of investment certainty, and the lack of flexibility with regards to stock exclusion in steeper country in timeframes some farmers will just not be able to meet.

Please find my letter of formal objection attached – Appendix 1. You will note that with every concern outlined there has been alternative solutions put forward as was done throughout the process with any points of concern that I raised on behalf of my sector.

5. THE SUBCATCHMENT APPROACH

The Sub Catchment Approach is not a new concept; in fact, it has been the most effective method of improving water quality that has been used in New Zealand. The key is community engagement. Successful examples In New Zealand include Raglan (Whaingaroa Harbour Care), Pomohaka Catchment, and Lake Rerewhakaitu.

The Waikato Regional Councils PC1 has a lot of aspects that lend itself to a Sub Catchment Approach, however the Grand Parenting makes the necessary community engagement very difficult because it penalizes those that have made efforts to reduce their nitrogen losses and creates a divisive culture when to make meaningful gains we need to be working together.

Farmers and the whole community need to know the water quality story in their local sub catchment. Total Nitrogen and Total Phosphorus need to be measured and reported on at sub catchment level, not just in the main stem of the Waikato river as in PC1. We need a better understanding of where those contaminants are coming from. In addition, the cleaner waters from Lake Taupo are diluting the contaminant loads and confusing the real state of water quality along the main stem, this illustrates the importance of measuring and assessing water quality against NOF and Vision and Strategy targets at a Sub Catchment Level.

I acknowledge that the above examples of Sub Catchment Success are largely voluntary initiatives and that the Waikato Waipa Catchments and their communities need assurance that bottom lines will be met. Indeed, there needs to be a regulatory framework and bottom lines, this is where we need to recognize Natural Capital and Land Use Suitability.

6. NATURAL CAPITAL AND LAND USE SUITABILITY – THE NEED FOR BOTTOM LINES

The CSG agreed on the principle of Land Use Suitability and Natural Capital as the basis of any allocation system but decided to wait until the next plan change for this to be implemented because of a feeling that more understanding was needed for this concept to work. Instead the CSG relied on a grand parenting approach to ‘hold the line’ through the NRP and the No Land Use Change Rule.

In short there is no guarantee that we will transition to a more equitable allocation system than the grand parenting regime that is inherent within PC1. A recent land use change consent granted by WRC post notification of PC1 gave no consideration of Policy 7 – Preparing for Allocation. In fact, the farming enterprise could use its historical high N leaching rates, purchase the neighboring low leaching farm and disperse its contaminant loss over a larger area and converting their neighboring dry stock property to Dairy. This confirms that PC1 rewards those that have historically high N leaching rates, and penalizes those who have reduced their impact on the environment. It also indicates to me that there is no real consideration by WRC of any other future allocation mechanism other than grand parenting. We are heading towards a concept of land use suitability that has been manipulated in a way that devalues low leaching farming systems, particularly hill country farms, so that high leaching farming systems can buy and disperse their contaminant loss over a large area.

Plan Change One needs to ensure that Natural Capital and Land Use Suitability is acknowledged and implemented in this plan change, not the next. While there always can be better understanding and science around these resource management strategies, it could be argued that there needs to be better science and understanding about all the components of fresh water management regulation. We need to start somewhere, Land Use Capability (L.U.C) is a recognized starting point that has been upheld in court.

7. LAND USE SUITABILITY AND NATURAL CAPITAL IS NOT A THREAT TO OTHER SECTORS

Basing allocation on Land Use Suitability and Natural Capital has been viewed as a threat to high intensity and high leaching sectors. This is unfounded, we have never promoted anything that would see the demise of an industry or its constituents.

We have always been the first to advocate the need to recognize current use and then allow for transitional timeframes. We need to start the journey now but ensure there is scope and transition timeframes for change using adaptive management and encouraging innovation along the way. We need to develop an understanding with our farmers and the community as to where we are heading to give investment certainty to those being asked to invest in the mitigations to achieve water quality our targets we all desire.

8. BEYOND THE CSG PROCESS

Since the end of the process I have continued to work with farmers and other sectors of the community to develop workable solutions. I became part of a group now called Farmers for Positive Change. The CSG achieved a lot and put forward some good initiatives one of these was the **Sub Catchment Approach** to improving water quality. This concept was left on the table but not developed. Our group, Farmers for Positive Change, have taken the initiative to develop the concept with input from other sectors including the Waikato Regional Council. We hope to continue to develop this approach with WRC to enable community buy in and farmer engagement in addressing our local water quality issues. However, if Grand Parenting remains within PC1 after the submission process I fear WRC will find engagement with half of the farming sector will be extremely difficult.

**WAIKATO REGIONAL COUNCIL PROPOSED WAIKATO REGIONAL PLAN CHANGE 1 - WAIKATO AND WAIPA RIVER CATCHMENTS
SUBMISSIONS ON PROVISIONS – JAMES BAILEY**

The specific provisions my submission relates to are:	My submission is that:		The decision I would like the Waikato Regional Council to make is:
	SUPPORT / OPPOSE	REASON	RELIEF SOUGHT
<p>The Vision and Strategy</p> <p>Section 3.11.2 Objectives 1 and 2, table 3.11-1, and any consequential amendments.</p>	Support with amendments	<ul style="list-style-type: none"> I support the narrative around the objectives, however the numerical data (table 3.11-1) that informs these objectives themselves and in some instances are not achievable. For example the E.coli levels modelled by the Technical Leaders Group (TLG) to describe the Collaborative Stakeholders Groups (CSG) interpretation of the Vision and Strategy are actually lower than what was modelled to have been likely to be seen in 1863. It is not the Vision and Strategy that I take issue with it is the CSG and TLG interpretation of it which needs to be reviewed. E.coli is a broad and inappropriate measure of risk, the TLG found that 50% of E.coli was from avian sources. 	<p>Amend table 3.11-1 to give effect to:</p> <ul style="list-style-type: none"> The Vision and Strategy including all 13 of its objectives with endorsement from all 5 river Iwi The NPSFM Provides for healthy and vibrant communities Water quality outcomes that are actually achievable
<p>Sub catchment approach:</p> <p>New Objective – Sub catchment approach is provided for and</p>	Insert a new objective	<ul style="list-style-type: none"> Examples of water quality improvement in New Zealand have stemmed from local communities working together in their sub catchment to fix local water quality issues. These examples include Whaingaroa 	<ul style="list-style-type: none"> Insert a new objectives, policies, methods and rules that ensure the sub catchment approach to improving water quality is enabled and incentivised through the development of Sub

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<p>incentivised through the Development of Sub Catchment Groups</p>		<p>Harbour-care (Raglan), Lake Rerewhakaaitu (BOP), and Pomohaka Catchment (Otago).</p> <ul style="list-style-type: none"> • In all of these success stories there is one common central theme. Team work between sectors and Collaborative communities. • Unfortunately PC1 drives a wedge between different sectors through its grand parenting approach to managing nitrogen. • Importantly, the sub catchment approach to managing water quality looks at water quality at the sub catchment level. • Currently PC1 measures the attributes of Total Nitrogen and Total Phosphorous only on the Main Stem of the Waikato River. This means that the cleaner water from Lake Taupo dilutes the effect that the tributaries and the sub catchments have on the attribute levels. • This distorts the performance of the sub catchments with respect to both the Vision and Strategy and the NPSFM. It reinforces the need for recognition of a sub catchment approach and facilitation of meaningful sub catchment management within the objectives of this plan. 	<p>catchment governance groups that will help the council identify edge of field mitigations to help provide solutions to a specific sub catchments water quality issues.</p> <ul style="list-style-type: none"> • Develop the ability for group/global consents to be granted at a Sub Catchment level for Sub Catchments to work together in meeting the bottom line water quality targets at Sub Catchment Level. • Acknowledge the importance of water quality monitoring at sub catchment level by including the attributes total N and Total Nitrogen at the sub catchment level not just on the main stem of the Waikato River as it currently prescribes in PC1. • Ensure that approaches which hold land uses to historic discharge rates based on historic use are deleted and replaced with allocation based on the Natural Capital of soils which underpins Land Use Suitability and ensures equitable outcomes. This needs to be implemented in PC1.

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<p>The “Staged” Approach</p> <p>Objectives:</p> <p>Section 3.11.2 Objectives 3 and 4, Policy 2, 5, and 7, and rules 3.115.3 and 3.115.7, schedule 1 and schedule B including any consequential amendments</p>	<p>Oppose</p>	<ul style="list-style-type: none"> • While I support some of the narrative in the objectives I oppose the <i>‘staged’</i> approach as described through the rest of Plan Change 1 because it will not <i>“enable people and communities to undertake adaptive management to continue to provide for their social, economic and cultural wellbeing”</i> as is stated • As a farmer, the staged approach is confusing, it does not give me certainty to invest in the mitigations best suited to my properties, especially my dry stock property, because I do not know what the next stage means. • In a staged approach, I cannot be sure if myself and my business will be included in the next ‘stage’. • This is because the staged approach to managing nitrogen through grand parenting does not give farmers investment certainty. • Plan Change 1 manages nitrogen with strict grand-parenting (granting historical use 	<ul style="list-style-type: none"> • Instead of a <i>‘Staged’</i> approach the objectives should take an Adaptive management approach to the management of Nitrogen and all contaminants. • We need to transition from current state to a state in which our water quality and our communities are consistent with the Vision and Strategy and with the NPSFM. • An adaptive management approach acknowledges where we are today and encourages me to strive to achieve the goals set in place and includes me in that journey. • The plan must recognise Land Suitability and Natural capital as the basis of the Nitrogen management mechanism. • Land Use Suitability and natural Capital was acknowledged by the CSG and the core principle of future allocation. But was not chosen to be implemented at this point because there needs to be more work done on it.

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		<p>rights) regime. There is no guarantee what the method of allocation in the next plan change will be.</p> <ul style="list-style-type: none"> • There are methods that instruct WRC to investigate Land Use Suitability but this will be up to a future council to decide. This leaves farmers in a very difficult and uncertain position. • The grand parenting approach to managing Nitrogen combined with the extensive stock exclusion policy with its very short timeframes will devalue hill country farms, in fact it already has done with the notification of the plan. • Those farms with higher historical N leaching and hence higher value, will then be able to purchase hill country farms to disperse their Nitrogen load across a larger area, or retire that land to help make reductions in their emissions across their enterprise. This is inequitable and erodes the value of lower leaching farming systems, and puts undue pressure on farming businesses especially family hill country farming operations and their communities. 	<ul style="list-style-type: none"> • Natural Capital, as a basis of Nitrogen allocation, has already been implemented in regions of NZ. • We need to use this as a starting point and then transition towards the Vision and Strategy through Adaptive Management as our understanding of land use suitability continues to develop, reviewing and adapting through subsequent plan changes.

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		<ul style="list-style-type: none"> • PC1 is sending a message that high intensity farmers will be rewarded and low intensity farming systems will slowly be phased out. This has been confirmed by the recent Land Use Change consent granted post notification by WRC where a high leaching farm bought a neighbouring low leaching property, convert part of it to dairy, and then disperse the N load across the increased land area, doubling the N leaching on the newly purchased land. There was little to no consideration given to policy 7 – Preparation for Allocation and the farms land use suitability. There is no way a low leaching farmer could buy another low leaching property and optimise the system to a higher yet sustainable NRP. • This proves that PC1 is grand parenting, it rewards the polluter gives the polluter further flexibility going into the future, stifles innovation, and devalues low intensity farming systems and penalises those that have already made efforts to reduce their Nitrogen Leaching voluntarily. • As a low intensity farmer who has engaged in taking steps in reducing my 	

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		<p>environmental footprint I have now found that I have limited my options for the future and can see that the next 'stage' will see me likely to be considering my limited options with a devalued asset while others eye up my property and its potential to disperse their environmental impact.</p>	
<p>N Management through the Nitrogen Reference Point- Grand-parenting:</p> <p>Policy 2 and 7, and rules 3.11.5.2 to rule 3.115.7, Schedule B, schedule 1 including any consequential amendments</p>	<p>Oppose</p>	<ul style="list-style-type: none"> • The CSG agreed to not support grand parenting and not to have property level limits mid way through the process. In the • I support the Nitrogen Reference Point (NRP) but only as an information gathering exercise not as a property level limit. • However in PC1, The Nitrogen Reference point is used in such a way that it grants historical use rights to those that contribute most to the Nitrogen load in the catchments. This is Allocation through grand parenting. • There is no flexibility. My low N leaching farming system relies on a level of flexibility to be able adapt with markets and climate to remain profitable. 	<ul style="list-style-type: none"> • Delete the requirement to manage property level discharges to a nitrogen reference point based on historic profiles • Amend the plan to apply land use suitability and natural capital now by including allocation based on the Natural Capital of soils through a Land Use Capability based approach. • And provide a flexibility cap for low leaching farm systems below a certain threshold (20kg/N/ha/yr) that is deemed as a sustainable level for farms to be farming at as we transition towards the V and S. Farmers with an NRP below this Nitrogen Reference Point will be enabled to increase up to this point and

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		<ul style="list-style-type: none"> • I have been working voluntarily with WRC through the development of a farm environmental plan which was started over 7 years ago. Part of this plan showed that our system of carrying heavy steers through the winter may not be sustainable until we had the infrastructure to handle them. In that time, I have been developing the farm, investing in fencing and water reticulation. Now that I have the farm suitable for carrying more larger animals I cannot get back to the stocking policy I once had because it will be exceeding my NRP from the 2 seasons that I may choose from. I am being penalised for trying to be a leader in sustainable farming. • Further to this initiative I have also been working with the WRC and Ag Research on a land optimisation modelling project to investigate synergies between profitable land use and biodiversity. In this modelling, I proposed to retire 10% of my farm while letting the INFORM model optimise my farm system on my better land. This modelling showed that I could achieve the profitability the farm once had, even with 10% land retired. The environmental gains 	<p>so have flexibility to adapt to market and climate.</p>

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		<p>in terms of reduction of phosphorus, E-coli, sediment, and Green House Gas Emissions would be huge, however my N leaching would increase slightly. Under PC1 management of Nitrogen through the NRP this would not be permitted.</p> <ul style="list-style-type: none"> • Overseer is an inaccurate measurement of N leaching especially for sheep and beef systems involving many classes of stock and land management units. The margin of error is high and to employ a strict nitrogen management mechanism through the NRP is not effective and stifles • Because of the Grand parenting nature of the NRP I have put a half-completed wetland project on our farm on hold because I am worried about how my low N leaching farm will be restricted in the future. After having being disadvantaged already by trying to be a responsible landowner and reducing my N leaching voluntarily, I am now having to consider the regulatory environment we are headed towards through PC1. • PC1 tells me that a high NRP gives me flexibility for the future, and has penalised me for my environmental efforts thus far. 	

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		<p>This illustrates why the NRP as a property level limit for low N leaching farming systems is a backward step for progressive farmers and for water quality.</p>	
<p>Stock Exclusion: Policy2, Schedule C and Table11-2. Table 3.11-1</p>	<p>Oppose</p>	<ul style="list-style-type: none"> • I support stock exclusion where it is cost effective and practical and when fencing and water reticulation infrastructure investments can be made in a well-considered manner. • I believe it needs to be done once and done right. • PC1 calls for stock exclusion well beyond the recommendations given by central government in timeframes that are much shorter. • The result of this will be rushed jobs, poor decisions and frustrations • The extensive nature and the tight timeframes of the CSG's stock exclusion policy was pushed by the Dairy sector who feel that their dairy streams accord has paved the way for the dry stock sector. 	<ul style="list-style-type: none"> • Amend stock exclusion to be concurrent with Central Government's recommendations being proposed through the advice of the Land and Water Forum. • Place a strong emphasis on identifying and addressing critical source areas through the farm planning process. • Use the Sub Catchment approach by incentivising the development of catchment groups to work alongside council to identify and target contaminant hotspots.

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		<ul style="list-style-type: none"> • Fencing off streams on flat and rolling country is completely different to fencing in hill country and practicality must be considered. In addition there has been little considerations of the main costs for many which will be water reticulation. • I believe that an additional motivation for the Dairy industry to push this position is that they realise the costs involved in fencing streams in the hill country and considerations that hill country farmers will need to make which might lead to more land being retired and taking pressure off the Nitrogen Load of the catchment of which the Dairy sector contributes 70% of. • It must be noted again that the E-coli levels set in Table 3.11-1 as per scenario 1 of the TLG modelling is lower than what would be likely to have been seen in the river in the 1860's. • One must ask why farmers are being asked to complete mitigations in such extensive fashion, in such short timeframes in order to meet a target that is actually impossible to meet? 	

Appendix 1

7 June 2016, CSG 29 Don Rowlands Centre, Karapiro
On behalf of the Sheep and Beef Sector

Dear Collaborative Stakeholder Group, Facilitator, Co Chairs and members of the wider HRWO process,

Re: Consideration to the whole policy package.

Throughout this process I have endeavored to bring a positive and collaborative Sheep and Beef perspective to the CSG table. Outside of the inflexible approach to Nitrogen I believe the work we have developed together will place our sector well to achieve our contribution to the steps towards the vision and strategy.

However, I have expressed on several occasions throughout this process that the whole policy mix needs to be taken into consideration. And more recently I have expressed serious concern that parts of the policy package seem to be disconnected to the intent of the CSG.

The primary basis of this is the management of Nitrogen and the grand parenting approach that the CSG has now taken.

Lack of flexibility on Nitrogen leaching from Nitrogen Reference Point as per overseer

The lack of flexibility for Low N loss systems will affect the ability for our farmers to achieve the comprehensive body of work that is proposed for our sectors contribution towards meeting the vision and strategy.

The CSG has indicated through its discussions on the 31 May 2016 at Karapiro that there is no appetite to consider flexibility on N as an option.

With the greatest respect and understanding to what the CSG is trying to achieve, the Sheep and Beef Sector will not be able to accept 'no flexibility' for low N loss systems. Our sectors farmers often rely on a certain amount of flexibility to be able to adjust our systems as markets change to remain profitable.

This policy imposes practical and profitability restrictions through lack of flexibility for the low N loss farming systems in our sector. The need for flexibility is four fold in our view

1. To reflect model error and most importantly to recognize that sheep and beef farms will fluctuate in N loss between years, through stock class and planned capital development
2. To give confidence that these farms can invest capital in long term mitigations such as stock exclusion, associated water reticulation and subdivision that may result in slightly increased modeled N losses
3. A transition to a future state where these properties will be allocated an

additional amount of N loss above their current discharge

4. A pragmatic approach to implementing the plan change where the policy focus is on properties that are creating the most problem for N

Other catchments in New Zealand have afforded flexibility to low N loss systems including Rotorua, Otago, Hawkes Bay, and Canterbury with 15kg/N/ha/yr being the lowest threshold used apart from where Natural Capital has been the basis of an allocation which the Sheep and Beef sector has also advocated for. These communities, and their councils have recognized and acknowledged that it is impractical to adopt strict controls on farmers, who are already discharging low amounts of N, because;

- Modeled mitigations are very limited without retiring land
- Modeling uncertainty puts any changes made within the bounds of model error
- The environmental cost benefit is limited
- There are no further restrictions that could be placed on those farmers to restrict N loss through a consent process
- They will have better buy in from farmers concentrating on investing in on farm practice that will actually make a difference to the environment

Future Allocation Uncertainty

In addition, while future allocation has been discussed in this plan change it has become apparent through discussions at CSG and with WRC staff that there is no guarantee of what will be the basis of allocation in the next plan change.

Our sector has advocated strongly against a strict grand parenting regime and this is consistent with CSG's discussions around allocation from 2015. We acknowledge existing use and the need for transition for the high N loss systems but placing the same restrictions on Low N loss systems is disproportionate and not concurrent with the CSG's selection criteria.

WRCP1 currently demonstrates Inconsistencies with the CSG Policy Selection Criteria:

These inconsistencies of the policy are most apparent in the following criteria (which I have commented on in italics) and these are not limited to...

Allows For Flexibility and Intergenerational Land Use

Does the policy:

- Encourage Positive actions being taken? (*No, it now actually disincentives this*)
- Take account of complexity and difference between farming systems and farm enterprises? (*No, ignores the complexities and differences of low N loss farms systems particularly in the dry stock sector*)

Acceptable to the wider community

Does the policy:

- Achieve sound principles of allocation? (*WRCPC1 is now strict grand parenting something the CSG said they did not want to do*)
- Recognise efforts already made? (*No, those who have made reductions will now be disadvantaged*)
- Exhibits proportionality (Those contributing to the problem contribute to the solution) (*No, incentivises farmers to have higher N leaching*)

Optimises environmental, social and economic outcomes

Does the policy:

- Aim for cost effective solutions? (*Council and farmer resources spent on strict N restrictions on the low end of the spectrum is not a cost effective solution*)
- Provide confidence and clarity for current and future investment? (*No, if anything farms with high NRP's will be worth more!*)
- Provide realistic timeframes for change? (*No limiting profitability of low N loss systems will only slow down progress on Sed, P and e.coli*)

Formal Objection

I am raising a formal objection to the plan change on behalf of the Sheep and Beef sector. The parts of the policy package are interdependent. The strict grand parenting based management of Nitrogen and its lack of flexibility coupled with no guarantee of a more equitable future allocation system framework means that I will not be able to support many parts of the proposed plan change as it stands.

Further subsequent objections to the details of the plan are described below with corresponding recommendations.

Recommendation to HRWO - Alternative Nitrogen Management Mechanism

To adopt a threshold based approach to managing Nitrogen as presented to CSG with escalating activity status attributed to escalating nitrogen thresholds which is outlined below.

I must emphasize that the Sheep and Beef sector is still committed to working hard to achieve its contribution towards the Vision and Strategy.

I will make myself available to discuss alternatives further with the Healthy Rivers Wai Ora Process.

Kind regards,

James Bailey

Objections and recommendations to the details of WRCPC1 form the

Appendix 1

Sheep and Beef Sector for CSG 29, 7th June 2016

Background and explanation wording of WRPC1

- Objection: Reference to properties needing to be held to a Nitrogen Reference Point (NRP). This is contrary to CSG's 2015 decision not to allocate and to avoid grand parenting.
- Recommendation: N threshold mechanism for managing Nitrogen as specified and proposed by the Sheep and Beef sector.

Objectives

Objective 1: Long-term restoration and protection of water quality.

- Objection: Vision and Strategy not achievable as 'scenario 1' E coli levels are beyond what is achievable in some areas. TLG have explained that we are aiming for lower levels than were likely to have been present in 1863.
- Recommendation: Assess E coli/pathogen relationship and provide a more realistic representation of swimmable.

Policies

Policy 7: Preparing for allocation in the future.

- Objection: The policy is repetitive and unbalanced by too many economic drivers in the principles for example "*b) An acknowledgment of activities of high economic, social and cultural importance.*" And "*d) Minimise social disruption and costs in the transition to the 'land suitability' approach.*"
- Recommendation: Delete a) as is unnecessary and is covered by d).

Rules

Rule 1: Stock Exclusion.

- Objection: The stock exclusion mitigations in some hill country farming systems is not appropriate and the lack of flexibility on production system adjustments for Low N loss farming systems means that the ability to pay for this mitigation and associated costs, such as water reticulation, may make this approach not viable.
- Recommendation: to adopt LAWF stock exclusion recommendations or adopt threshold based N management mechanism.

Rule 4: Permitted Activity Low Risk Farming Enterprises.

- Objection: The Sheep and Beef sector does not agree that low risk farming enterprises have been appropriately captured in this rule

- Lower N leaching farm systems there will need to be monitoring and compliance systems in place to manage low risk N systems, which will be ineffective and inappropriate designation of council and farmer resources.
- Recommendation: taking out 15 degrees slope and including winter forage crops and treat as a permitted activity so long as they have done a farm plan and/or adopt threshold based N management mechanism.

Rule 5: Controlled Activity Rule – Farming activities with a FEP.

- Objection: The Sheep and Beef sector does not agree that a farming activity with a low NRP (less than 20kg/N/ha/yr) should have to maintain this loss rate within the constraints of a 5 – year rolling average fixed upon the nitrogen reference point
- Low N leaching farming systems requires a certain amount of flexibility to remain profitable.
- Recommendation: Controlled activity with ability to increase beyond NRP up to a threshold of 15kg/N/ha/yr, and a Restricted Discretionary Activity to increase NRP between 15 and 20 kg/ha/yr.
- Also recommend specifying other N thresholds with escalating activity status including max N cap to give clarity and transparency to farmers and to the process as a whole, see suggested thresholds below at end of letter.

Rules 5 and 6: 75th Percentile approach

- Objection: There is no clarity on what the 75th percentile of the Dairy sector actually is and how these top emitters will be managed down and what requirements there will be to meet this target especially when being managed through an industry scheme.
- Recommendation: Specify 75th percentile with a max Nitrogen cap threshold and also specify other thresholds as described by the N threshold mechanism of managing N.

Recommendation -Alternative Nitrogen Management Mechanism

Introduce a new N threshold approach – this is complimentary to the existing change in land use rule. These are amendments to the policies and rules to allow for transition to an allocation framework in the future without overly constraining current low N loss land use –

Note: In addition to proposed amendments it is proposed to retain the rule about land use change

In simple terms the proposed framework is set out below, with relevant amended policies and rules included below.

The discharge of Nitrogen as modelled by Overseer is

1. Controlled Activity – discharge up to 15kg with a farm plan

2. Restricted Discretionary Activity – to increase NRP between 15 – 20 kg
3. Non complying activity – Any discharge in excess of 20kgN/Ha shall not exceed its Nitrogen Reference Point
4. Prohibited Activity – no single property can exceed x kgN/Ha by 2025 (x = based on dairy 75 percentile – or an equivalent number applying to all properties irrespective of current use – may include longer transition for some properties beyond 2026)