

**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: Science and Strategy - Policy
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I am not a trade competitor for the purposes of the submission. 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.

If others make similar submissions, I would consider presenting a joint case with them at the hearing.

Karen Lowry

8 March 2017

Signature date

Peter Lowry

8 March 2017

Signature date

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Introduction

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

We are Karen and Peter Lowry and Karen's family are the second generation to farm a 690ha dry stock farm on Ahoroa Road. The farm runs 7000 stock units consisting of 55% sheep and 45% beef heifers and the property bounders the Waipa and feeds into the Mangakewa catchment.

In the past 54 years our family has established major fence lines to suit natural contour, ease of stock flow and stream/drain management over the whole farm.

68ha of regenerating native bush has been retired into QEII land in 2002/03. There are existing plans to extend this QEII block to incorporate corridors with natural streams and small pockets of native bush in conjunction with Waikato Regional Council (available funding pending).

There are mature pine and blackwood plantations on erosion prone faces and more fencing and planting/retirement programme occur as resources become available.

The family has been good custodians of the land thus far and will continue to take steps in ensuring our practice is sustainable. Being described as pollutants to the environment is not an accurate nor fair description.

We have a strong interest in seeing the general direction of plan objectives met and critical to this will be ensuring that the incentives, mitigations, and costs are fairly allocated by any solution designed. The current plan does not meet this objective as explained below.

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The specific provisions of the proposal that this submission relates to and the decisions it seeks from Council are as detailed in the following table. The outcomes sought and the wording used is as a suggestion only, where a suggestion is proposed it is with the intention of 'or words to that effect'. The outcomes sought may require consequential changes to the plan, including Objectives, Policies, or other rules, or restructuring of the Plan, or parts thereof, to give effect to the relief sought.

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
The Plan Change restrictions and remedies proposed for the cause and effect of the waterways degradation	We oppose Plan Change and the resultant land use restrictions	<p>Consultation on such a substantial and significant matter that detrimentally effects the value of land needs to provide analysis and data so that the effects of that impact are fully understood by individual stakeholders for effective consultation to occur.</p> <p>The consultation should also provide easily understood cause and effects evidence as to what drives the problem being addressed ie waterways degradation.</p> <p>The consultation has failed to provide sufficient information for that impact to be assessed.</p>	<p>The Plan Change is withdrawn and evidence of the actual cause and effect of the waterways degradation is provided.</p> <p>That a range of options be consulted on with effected parties as there is undoubtedly more than one way to address the underlying problems and legislative obligations.</p>
Consultation period to March 2017 and Hauraki Plan Change	We oppose the shortness of the consultation period	The timeframe for the consultation is too short for what is a substantial impact of farming activities, reduction in farm values and incomes and should be aligned with timings for the Hauraki Plan Change so understanding, learnings and equitable outcomes can occur.	The proposal rules should be withdrawn and a timeline reset for meaningful and informed consultation
The Plan Change restrictions and remedies	We oppose Plan Change and the	The process and stakeholder management might seem to have significantly financially advantaged	11. If the outcome of the WRC Plan Change decision

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proposed for the cause and effect of the waterways degradation	resultant that land use restrictions	<p>some groups of stakeholders over others in an inequitable way.</p> <ol style="list-style-type: none"> 1. Some of the case studies provided show a significantly higher cost to sheep and beef farmers than other land use classes. A view of this might be that those farming operations that potentially may have contributed the more harm have been relatively lightly impacted compared with, say, sheep and beef farmers. 2. Sheep and beef farmers, who presumably have some of the lower environmental impacts, are being penalised the most through not only increased costs but also substantial loss of land value and future use. This would be an untenable outcome. 3. The economic disadvantage for Tangatawhenua as a result of the proposed Plan Change is similar to that of a sheep and beef farmer who has not converted to dairy while those around them have. Just as Maori should not be disadvantaged for not having made that change in land use (nor contributed significantly to the problem) nor should the sheep and beef farmer. 4. It is proposed that every land owner, including Maori be allocated the 	<p>was to create some economic impact on Tangatawhenua then that impact would be something for the Crown to address.</p> <ol style="list-style-type: none"> 12. Owners of low intensity land use should not have the value of their land dispossessed by the Plan Change – especially if their use has not been the major cause and effect of the problem. 13. All users should be allocated the average/percentile per hectare nutrient allocation for their region and such rights are tradeable. 14. A further option might be to simply target those operations

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		<p>average/percentile nutrient rights for their district, based on the existing use of that region.</p> <ol style="list-style-type: none"> 5. This would allow that sheep and beef farmer/Maori farm's value and future use options to be maintained and for the costs of mitigations to be financed. For example, a sheep and beef farmer may lease his excess nutrient rights to a dairy farmer and the revenue could be used by the sheep and beef farmer for fencing waterways (if that was proved/agreed as an effective mitigation). 6. Equally such a right might also incentive reforestation as marginal land is retired. 7. From an asset rights perspective, it would seem a far more equitable and tidy solution for every class of land owner to be treated on the same equitable basis, rather than create winners and losers and perverse outcomes. 8. This may of course require some form of transition period but this would not dilute the impact of the Plan Change if designed well. 9. It is extremely inequitable and perverse that users who have grown significantly their nutrient loadings over the last ten years (especially the upper Waikato) should have 	<p>(including municipal areas) that are shown to have contributed the greatest harm – if such evidence is available.</p>

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		<p>the least impact on their farming activities and in fact have their property values increased as a result of grandfathering for high nutrient discharges</p> <p>10. It should also be noted that those with the biggest financial benefits also have over time the greater ability in terms of ability to invest and take advantage of breeding innovations that will assist reducing nutrient losses per kilogram of production ie more production from same nutrient losses.</p>	
<p>Restricting land use change Policy 6</p> <p>3.11.5</p>	We oppose this policy.	<p>This proposal takes away the right for existing and future generations to change the land use to fit the changing economic, environmental and/or the changing face of farming in NZ to meet world demand. Business growth and/or development ceases to exist.</p> <p>It effectively reduces the value of property from potential dairy conversion to solely dry stock farming wiping significant value off the land and the associated economic returns.</p>	<p>We seek that this policy be deleted:</p> <p>As an alternative, we propose – that a Farm Environmental Plan is used to determine land use capabilities and this is then matched with a nutrient rights allocation that is made on an average/percentile per hectare basis across an area/region.</p>
<p>Restricting land use change Policy 6</p> <p>3.11.5</p>	We oppose this policy.	<p>The grandfathering mechanism proposed is unfair and rewards those that potentially have contributed more harm, penalises those that have potentially contributed the lower harm and creates windfall winners and losers. It is a very poor policy design that achieves this</p> <p>The result will be that those with high nutrient rights will be overtime be acquired by corporate and overseas interests. This will repeat the poor outcomes achieved in the fishing industry with Total Allowable Catch and fishing quota model. These models have led</p>	<p>While mitigations such as Farm Environmental Plans need to occur this is separate from nutrient rights allocation.</p> <p>Nutrient rights/loadings should be allocated on an average/percentile per hectare basis regionally. The benefits of this are that</p> <ol style="list-style-type: none"> 1. Land use is incentivised for its highest values use.

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		to poor social, societal and economic outcomes with few NZ winners despite the rhetoric.	<ol style="list-style-type: none"> 2. Those with excess nutrient rights over current use can trade these with higher users. 3. This will give revenue to sheep and beef farmers to meet any compliance costs. 4. Rewards/incentives re-forestation 5. Preserves existing capital values for sheep and beef farmers which would be decimated under the proposed plan. 6. Future changes to the averages/percentile can be managed more readily.
<p>Stock exclusion 3.11.5.7</p> <p>Schedule C</p>	We oppose this schedule:	<p>With 170 + paddocks of which 52 have no water bodies (identified in this schedule). This equates to 103ha of the total 690ha. To create stock exclusion from water bodies (as per scheduled) of the remaining 587ha places economic detriment to the land owner</p> <p>It is estimated that these changes will cost \$700k*. This figure does not include the remedial work in fence line preparation or the IMMEDIATE upgrade of the water system.</p> <p>The timeframe for this schedule is too short therefore making this farm un-economic to run.</p> <p>Environmentally, the remedial work in creating these fence lines in the timeframe will increase the sediment runoff into water bodies which will counteract the main purpose of schedule C.</p>	<p>We seek that this schedule be amended:</p> <p>That we adopt the National Water Accord as the definition of water bodies ie: the 1m wide by 300mm deep flowing all year round.</p> <p>Adopting this definition would cost this farm only 4km of stock exclusion fencing by 2023 costing \$60k which is attainable and financially acceptable to this business.</p>

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		<i>*based on current price of \$15pm fencing costs x 45km. This works out at \$96,500 per year if started today and not including earthworks in preparation or tree planting at conclusion.</i>	
Stock exclusion 3.11.5.7 Schedule C	We oppose this schedule:	Existing farmers may already have undertaken significant mitigations that are not recognised under the proposed rules, such as retiring land to QEII Trust, tree plantings	Farms that have undertaken mitigations such as plantings and QEII retirements are explicitly recognised for it in the FEP and nutrient rights allocations and this can be used to offset other liabilities or increase their nutrient loading rights.
Mana Tangata Objective 5	We oppose this objective	<p>The economic, spiritual and social objectives of Tangatawhenua are not dissimilar to some other land owners.</p> <p>The dispossession and economic plight of Tangatawhenua is stated, however the remedy for this presumably remains an issue for the Crown.</p> <p>While Tangatawhenua has a special relationship with the Crown, it is the Crown, not the Plan Change that should provide any remedy for those economic issues and effects of the Plan Change.</p> <p>To a layperson it would seem to be highly irregular for a body such as the Waikato Regional Council to be adjudicating such issues and seeking to remedy what is a Crown issue.</p> <p>From a governance perspective it is possibly an extremely poor outcome where</p>	<p>An alternative:</p> <p>That all Land owners are allocated the same average/percentile nutrient rights per hectare for their land. This ensures that all parties are treated equally from a benefits and contributing to the problem point of view ie intensive farming activities will need to lease additional nutrient rights from low intensity users with surplus nutrient allocations.</p> <p>Anything other than this approach would socialise the losses and privatise the benefits to high nutrient contributors.</p>

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		<p>Governance/Guardians' of the waterways potentially are seen to have their economic interests prioritised over others whose activities impact on the waterways.</p> <p>This presumably would not have been the intention of the enabling legislation and the Plan Change governance might consider it more appropriate for this issue to rest with the Crown.</p>	
<p>Long-term Restoration and Protection Objective 1</p> <p>Policy 5</p>	<p>We support this but with amendments:</p>	<p>We agree in principle with objective 1 but we are concerned in how the longer-term plan changes are going to affect the family farm socially, economically and environmentally. We need more clarity in these 'long term plans' for our business to continue with certainty, not a 'moving goalpost' style approach.</p>	<p>An alternative:</p> <p>An upfront study that covers the whole 80 years specific to our farm that shows all ramifications.</p>

Yours sincerely

Peter Lowry



8 March 2017

Signature

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