



SUBMISSION ON A PROPOSED REGIONAL PLAN

Clause 6 of First Schedule, Resource Management Act 1991

Healthy Rivers Proposed Plan Change 1 to the Waikato Regional Plan

To: The Chief Executive
Waikato Regional Council
Email: healthyrivers@waikatoregion.govt.nz

Submitter Details

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Submission

This is a submission on the Healthy Rivers Proposed Plan Change 1 to the Waikato Regional Plan.

This submission is prepared in general accordance with Form 5 in Schedule 1 of the Resource Management (Forms, Fees and Procedure) Regulations 2003.

Mercury could **not** gain an advantage in trade competition through this submission.

Mercury wishes to be heard in support of its submission.

If others make a similar submission, Mercury will **not** consider presenting a joint case with them at the hearing.

Stephen Colson
Manager Planning & Policy
for Mercury NZ Limited

Date: 8 March 2017

1 Introduction

This document contains the submission by Mercury NZ Limited ('Mercury' or 'the Company') on Proposed Plan Change 1 to the Waikato Regional Plan ('Plan Change 1').

This submission is structured as follows:

- Section 2 provides background to Mercury and its interests in the Waikato River catchment
- Section 3 contains Mercury's general submission on Plan Change 1
- Section 4 sets out Mercury's submissions on specific provisions relating to the future management of freshwater in the Waikato and the activities and interests of Mercury.

2 Mercury NZ Limited

2.1 Overview

Mercury is a publicly listed company and the third largest electricity generator in New Zealand, typically generating about 17% of New Zealand's electricity. In addition, the Company is the third largest retailer in New Zealand, selling electricity through various retail businesses.

Mercury has a diverse and expanding portfolio of generation assets throughout the North Island, which over the last 5 years has generated an average of over 6,600 gigawatt hours of electricity per year. 100% of the Company's generation comes from renewable resources, which includes the Waikato Hydro Scheme ('the Scheme') on the Waikato River and geothermal power stations in the Waikato and Bay of Plenty regions.

2.2 Assets, Operations and Interests in the Waikato River Catchment

On the Waikato River, Mercury harnesses the power of water by gravity through nine hydro power stations which have a total net capacity of approximately 1,052 MW. Together these hydro power stations produce about 10% of New Zealand's electricity. Hydro generation can be increased or decreased quickly to meet peak demand for electricity in the upper North Island. The Waikato Hydro Scheme was developed in stages from the 1920's to 1971. The Scheme is now an important part of the Waikato River catchment environment, with the majority of the generation assets being in continual operation for over 50 years.

Storage in Lake Taupo is highly influenced by inflows and 20% of those inflows are derived from the Tongariro Power Scheme. Lake Taupo storage is limited to a range of 1.4m and annual rainfall and snowmelt exceed this storage capacity resulting in water cycling through the lake 5-6 times a year. This largely dictates how much water flows down the Waikato River from Lake Taupo. Together with flows from tributaries downstream of the Lake Taupo outflow the catchment hydrology means the Waikato Hydro Scheme is essentially a 'run of river' system.

Mercury's water management activities go beyond operation of the Scheme for electricity generation. As flood manager Waikato Regional Council works closely with Mercury during high flow events to manage the release of water through the Scheme to moderate the effects of flooding on Taupo and lower Waikato communities. During droughts, flows are augmented in the lower Waikato River benefiting water supplies, water infrastructure, and the operation of the Huntly Power Station, adding security to the national electricity supply system.

Other benefits provided to the community by the Scheme, include ecosystem services such as fisheries, edge wetlands and lake margins which are sustained by the reservoirs, and numerous recreational activities such as fishing, boating, and international rowing.

Mercury owns and/or operates four geothermal power stations (Rotokawa, Nga Awa Purua, Ngatamariki and Mokai) in the Waikato Region with a total net capacity of approximately 367 MW. These geothermal power stations provide baseload electricity that is not subject to climatic constraints, which complements the variable (peaking) generation on the Waikato Hydro Scheme. These geothermal generation activities rely on freshwater from the Waikato River for operational and drilling purposes.



3 General Submission

Mercury supports the overall direction of Plan Change 1, to give effect to the Vision and Strategy for the Waikato River and the National Policy Statement for Freshwater Management 2014, and thereby improve water quality. We support the long term restoration of water quality in the Waikato and Waipa River catchments and the staged approach applied to meeting the water quality targets by 2096. Mercury seeks to ensure that Plan Change 1, and any further amendments to the Waikato Regional Plan, do not compromise the continued operation and productive output of the Waikato Hydro Scheme, which is nationally significant infrastructure.

Mercury welcomed the collaborative process the Healthy Rivers project partners (Waikato Regional Council and Waikato and Waipa River Iwi) used to develop objectives, policies, implementation methods and rules for improving water quality in the Waikato and Waipa rivers. We supported the involvement of partners, stakeholders and community in the development of the notified plan change and the use of impartial technical advice to support decision making. Mercury supports continued collaboration to implement the policies and methods of Plan Change 1.

Plan Change 1 sets water quality targets for nitrogen, phosphorus, sediment and microbial pathogens. Mercury supports the use of these attributes in Plan Change 1. Sediment is an ongoing concern and an operational problem for Mercury in its hydro operations. The hydro reservoirs are not the source of contaminants, but they attenuate some contaminants in water (especially microbial pathogens through an increase in light (UV) treatment compared to an unmodified river system). Algal production over summer can be a problem in the hydro reservoirs and research shows that reducing phosphorous relative to nitrogen can limit algal growth, as can reducing the overall concentration of nutrients in the river. Mercury supports the reduction of nitrogen, phosphorous, sediment and microbial pathogens entering the Waikato River from land use activities.

Mercury's general support for Plan Change 1 reflects its commitment to work with the regional community to achieve the broad objectives, strategies and vision of Te Ture Whaimana o Te Awa Waikato (the Vision and Strategy for the Waikato River) and, give effect to both the National Policy Statement for Renewable Electricity Generation and the National Policy Statement for Freshwater Management. These national policy statements ('NPS') intersect where policy decisions are to be made that affect the level of recognition and provision to be made for renewable electricity generation activities (inclusive of the Waikato Hydro Scheme and geothermal power development) in the Waikato and Waipa River catchments. While each NPS has distinctly different objectives, Mercury's position is that the objectives of both NPS's and the Vision and Strategy can, and should, be achieved.



4 Specific Submissions

The section sets out the submissions by Mercury in relation to Plan Change 1.

Specific Provision	Support / Oppose	The Submission is:	Relief Sought (additions <u>underlined</u> , deletions struck through):
PART A			
3.11 'Area covered by Chapter 3.11'	Support	Mercury generally supports Plan Change 1 and the approach taken to achieve the Vision and Strategy for the Waikato River in the long term. Mercury supports the scale at which freshwater management units ('FMU' or 'FMUs') have been delineated.	Retain 3.11 in the same or similar form and FMUs as delineated in Map 3.11-1 (version dated 3 December 2016).
3.11 Background and explanation – Water quality and National Policy Statement for Freshwater Management	Support	The National Policy Statement for Freshwater Management 2014 (NPS FM) is one of the drivers for Plan Change 1. Mercury supports the statement setting out the requirements of the NPS FM.	Retain the section in 3.11 titled "Water quality and National Policy Statement for Freshwater Management" in the same or similar form.
3.11 Background and explanation – Full achievement of the Vision and Strategy will be intergenerational	Support	Mercury supports the statement that full achievement of the Vision and Strategy will be intergenerational, requiring at least an 80-year timeframe. This supports the approach in Plan Change 1 to achieve the objectives and the approach for first 10 years.	Retain the section in 3.11 titled "Full achievement of the Vision and Strategy will be intergenerational" in the same or similar form.
3.11 Background and explanation – Reviewing progress towards achieving the Vision and Strategy	Support	Mercury supports the approach to reviewing progress towards the first stage of achieving the Vision and Strategy, and in particular, that point source discharges will be reviewed as resource consents come up for renewal.	Retain the section in 3.11 titled "Reviewing progress towards achieving the Vision and Strategy" in the same or similar form.
3.11.1 Values and Uses for the Waikato and Waipa Rivers	Support	Mercury supports the conceptual diagram explaining mana atua (intrinsic values) and mana tangata (use values) and their articulation in section 3.11.1.1 and 3.11.1.2. Mercury also supports the identification of electricity generation amongst the identified use values and seeks that this be retained.	Retain 3.11.1 in the same or similar form.



Specific Provision	Support / Oppose	The Submission is:	Relief Sought (additions <u>underlined</u> , deletions struck through):
PART A 3.11.2 Objectives			
Objective 1 and related reasons	Support	Mercury supports the long term restoration and protection of water quality for each sub-catchment and FMU. The use of short term and long term numerical water quality targets (Table 3.11-1) is supported as a means to achieve the Vision and Strategy for the Waikato and Waipa Rivers. The short term targets are addressed in Objective 3.	Retain Objective 1 in the same or similar form.
Objective 2 and related reasons	Support with amendments	<p>The title of Plan Change 1 and the introduction of section 3.11 (Area covered by Chapter 3.11) refers to the "Waikato and Waipa River catchments". That is, for the purpose of Plan Change 1, there are two broad catchments being managed. Objective 2 refers to the "Waikato and Waipa communities" but goes on to mention only the "Waikato River catchment". Mercury supports the objective but believes it is intended to apply to both the Waikato and Waipa River catchments and this should be clarified so that it is consistent with other parts of Plan Change 1.</p> <p>Mercury considers that the restoration and protection of water quality in the Waikato and Waipa River catchments has benefits beyond the immediate Waikato and Waipa communities, such as the regional and national communities and economies.</p>	<p>Amend Objective 2 to read as follows, or words to like effect:</p> <p>"Waikato and Waipa communities and their economy (<u>as well as the regional and national communities and economies</u>) benefit from the restoration and protection of water quality in the Waikato <u>and Waipa</u> River catchments, which enables the people and communities to continue to provide for their social, economic and cultural wellbeing."</p>
Objective 3 and related reasons	Support	<p>Mercury supports the implementation of actions that are sufficient to achieve the short term targets, noting that improvements in water quality may not be measurable in the first 10 years due to the lag time of contaminants in the groundwater. Mercury supports the reasons for adopting Objective 3, and in particular, that actions to improve water quality on point source discharges will be reviewed as resource consents come up for renewal.</p> <p>However, the objective to achieve 10% of the required change between current water quality and the 80 year water quality attribute target is applied unilaterally across the catchments.</p> <p>Mercury considers the short-term improvements in water quality sought by Objective 3 will not be fully achieved based on the current sub-catchment areas and priorities identified in Table 3.11.2. This is particularly the case for sediment losses to tributaries to the Waikato River in the Upper Waikato River FMU where the sub-catchment monitoring point for the sediment-laden tributaries is the main stem of the Waikato River. As a result, the location of the monitoring point masks the problem occurring in the tributaries.</p> <p>This issue does not require a change to Objective 3 but it will require a change to the sub-catchment areas and priorities in Table 3.11.2 and consequently the targets set in Table 3.11.1, as sought in other submission points.</p>	Retain Objective 3 in the same or similar form.



Specific Provision	Support / Oppose	The Submission is:	Relief Sought (additions <u>underlined</u> , deletions struck through):
Objective 4 and related reasons	Support	Mercury supports Objective 4 as it seeks to enable people and communities to undertake adaptive management while considering values and uses when taking action to achieve attribute targets.	Retain Objective 4 in the same or similar form, particularly the reference to "values and uses" in clause (a).
PART A 3.11.3 Policies			
Policy 1	Support	Mercury supports the management of diffuse discharges of nitrogen, phosphorous, sediment and microbial pathogens through land use management. Mercury supports the exclusion of cattle, horses, deer and pigs from water bodies.	Retain Policy 1 in the same or similar form.
Policy 2	Support with amendments	Mercury supports the tailored, risk based approach to define mitigation actions on land that will reduce diffuse discharges of the four target contaminants from farming activities, including through the use of Farm Environment Plans. Policy 2 (a) and (b) introduces a new term "Certified Industry Scheme" with respect to specifications for Farm Environment Plans. Mercury submits that the certified schemes are sector based, rather than industry based, and that the term "Certified Sector Scheme" should be used instead. This terminology would also ensure that the term "industry" is retained for other terminology that is better aligned with the Regional Policy Statement i.e. regionally significant industry. Later in this submission Mercury proposes that "regionally significant industry (in Additions to Glossary of Terms) is defined in the glossary of terms and does not include activities that would be covered under 'Certified Sector Schemes'. Mercury supports the requirement and timeframe for stock exclusion but clarification is needed in clause (e) of the policy that it is intended to mean stock exclusion from waterways.	Retain Policy 2 in the same or similar form except amend (a), (b) and (e) to read as follows, or words to like effect: "a.established by participation in a Certified <u>Industry Sector Scheme</u> ; and b.established with a resource consent or through a Certified <u>Industry Sector Scheme</u> ; and e. Requiring stock exclusion <u>from rivers, streams, drains, wetlands and lakes</u> to be completed within 3 years following the dates by which a Farm Environment Plan must be provided to the Council, or in any case no later than 1 July 2026." Consequential amendments, as necessary through the remainder of the Plan Change to delete the term "Certified Industry Scheme" and replace with "Certified Sector Scheme".
Policy 3	Support with amendments	Mercury supports the tailored approach to reducing diffuse discharges from commercial vegetable production systems. Mercury supports the development of certification schemes but submits that the term "Certified Industry Scheme" should be replaced with "Certified Sector Scheme" to avoid confusion with the use of the word "industry" when referring to "regionally significant industry". This aligns with Mercury's submission on Policy 2.	Retain Policy 3 in the same or similar form except amend (e) to read as follows, or words to like effect: "e.established by participation in a Certified <u>Industry Sector Scheme</u> ."
Policy 5	Support with amendments	Mercury supports the staged approach to achieving the water quality attribute targets set in Table 3.11-1.	Amend a minor reference error in Policy 5 to read "Table <u>3.11.-1</u> ", and otherwise retain Policy 5 in the same or similar form.



Specific Provision	Support / Oppose	The Submission is:	Relief Sought (additions <u>underlined</u> , deletions struck through):
Policy 6	Support	<p>Mercury supports Policy 6 to achieve the Vision and Strategy for the Waikato River and give effect to the NPS FM with respect to the further degradation of water quality.</p> <p>Mercury supports Council not granting consent for activities that demonstrate increased diffuse discharges of nitrogen, phosphorus, sediment and microbial pathogens.</p>	Retain Policy 6 in the same or similar form.
Policy 7	Support	Mercury supports the preparation for future allocation of diffuse discharges in the Waikato and Waipa River catchments.	Retain Policy 7 in the same or similar form.
Policy 8	Support with amendments	<p>Mercury supports the concept of prioritised management of land and water resources by implementing Policies 2, 3 and 9 in accordance with the prioritisation of areas set out in Table 3.11-2. This should also reference the implementation of Policy 1.</p> <p>However, it should be noted that action in priority 1 sub-catchment should not be at the expense of inaction in priority 2 or 3 sub-catchments. Such an approach would not achieve Objective 3.</p> <p>Mercury seeks a greater level of clarity in Policy 8 regarding "priority areas". The current wording is confusing; every sub-catchment has a priority rank (1-3) and is a priority area. Clause (a) of the policy refers to "<i>sub-catchments where there is a greater gap between the water quality targets in Objective 1 (Table 3.11-1) and the current water quality</i>". It is expected that these sub-catchments equate to those that are proposed to be priority rank 1. It is not clear whether Lakes FMU's are included in sub-catchment areas or prioritised separately.</p>	<p>Amend Policy 8 to read as follows, or words to like effect:</p> <p>"Prioritise the m-Management of land and water resources <u>will be required in all sub-catchments</u> by implementing Policies <u>1, 2, 3 and 9. Policy implementation will be prioritised in accordance with the priority rank set out in Table 3.11-2 for each sub-catchment, inclusive of Lakes Freshwater Management Units within the mapped sub-catchment</u>, and in accordance with the prioritisation of areas set out in Table 3.11-2. Priority areas include:</p> <p>a. Sub-catchments where there is a greater gap between the water quality targets in Objective 1 (Table 3.11-1) and current water quality; and</p> <p>b. Lakes Freshwater Management Units</p> <p>In addition to the priority sub-catchments listed in Table 3.11-2, the 75th percentile nitrogen leaching value dischargers will also be prioritised for Farm Environment Plans."</p>
Policy 9	Support with amendments	Mercury supports in principle collaborative sub-catchment mitigation planning and funding to support complementary actions to improve water quality at the sub-catchment scale.	<p>Retain Policy 9 in the same of similar form except amend clause (a) to read as follows, or words to like effect:</p> <p>"Engaging early with tangata whenua and with landowners, <u>stakeholders</u>, communities ..."</p>
Policy 10	Support with amendments	<p>Mercury supports provision to provide for point source discharges of regional significance.</p> <p>Mercury submits that "regionally significant industry" in part (b) of the Policy should be defined in Part C "Additions to the Glossary of Terms" to provide</p>	<p>Retain Policy 10 in the same or similar form.</p> <p>Include a definition for "regionally significant industry" in Part C (see later submission point).</p>



Specific Provision	Support / Oppose	The Submission is:	Relief Sought (additions <u>underlined</u> , deletions struck through):
		<p>clarity to the intent and application of Policy 10. The definition should give effect to the definition of “regionally significant industry” given in the Waikato Regional Policy Statement, and be consistent (to the extent necessary) with the existing definition for “industry” given in the Waikato Regional Plan.</p> <p>Mercury proposes a definition for “regionally significant industry” later in this submission.</p> <p>Mercury supports the existing definition in the Waikato Regional Policy Statement for “regionally significant infrastructure”.</p>	
Policy 11	Support	Mercury supports the provision of Best Practicable Option and mitigation or offset of effects being applied to point source discharges.	Retain Policy 11 in the same or similar form.
Policy 12	Support	Mercury supports the range of additional considerations for point source discharges in achieving short term and long term water quality targets.	Retain Policy 12 in the same or similar form.
Policy 13	Support with amendments	Mercury supports Policy 13 which enables consent duration exceeding 25 years for point source discharges where certain matters relating to water quality improvements are met. For clarity the policy should give reference to point source discharges, as per the policy title.	Retain Policy 13 in the same or similar form, except amend to read as follows, or words to like effect: “When determining an appropriate duration for any consent granted <u>for point source discharges</u> , consider the following matters...”
Policy 16	Support	Mercury supports Policy 16 which provides flexibility for land use change of tangata whenua ancestral lands. This enables development of tangata whenua ancestral lands, while taking into account best management practices, the suitability of the land for development and the desire to achieve short term water quality targets.	Retain Policy 16 in the same or similar form.
Policy 17	Support	Mercury supports Policy 17 which recognises some of the secondary benefits of methods carried out under Chapter 3.11.	Retain Policy 17 in the same or similar form.
PART A 3.11.4 Implementation Methods			
3.11.4.1	Support	Mercury supports methods to implement Chapter 3.11 that involves a wide range of stakeholders.	Retain Implementation Method 3.11.4.1 in the same or similar form.
3.11.4.2	Support with amendments	Mercury supports the development of certification schemes but submits that the term “Certified Industry Scheme” should be replaced with “Certified Sector Scheme” to avoid confusion with the use of the word “industry” when referring to “regionally significant industry”. This is consistent with Mercury’s submission on Policy 2.	<p>Amend 3.1.4.2 to read as follows, or words to like effect:</p> <p>“3.11.4.2 Certified Industry <u>Sector</u> Scheme</p> <p>Waikato Regional Council will develop an industry <u>a sector</u> certification process for sector industry <u>sector</u> bodies as per the standards outlined in Schedule 2. The Certified Industry <u>Sector</u> Scheme will include formal agreements between parties. Agreements will include:</p>



Specific Provision	Support / Oppose	The Submission is:	Relief Sought (additions <u>underlined</u> , deletions struck through):
			<p>a. Provision for management of the Certified Industry Sector Schemes;</p> <p>b. Oversight, and monitoring of Farm Environment Plans;</p> <p>c. Information sharing;</p> <p>d. Aggregate reporting on Certified Industry Sector Scheme implementation; and</p> <p>e. Consistency across the various Certified Industry Sector Schemes"</p>
3.11.4.5	Support with amendments	Mercury supports sub-catchment planning that involves stakeholders as set out in Method 3.11.4.1. Mercury requests effort and investment is prioritised within sub catchment plans.	<p>Amend 3.11.4.5 to add the following, or words to like effect:</p> <p>"Waikato Regional Council will work with others <u>in accordance with Method 3.11.4.1</u> to develop sub-catchment scale plan...</p> <p><u>h. prioritise sub-catchment actions</u>"</p>
3.11.4.7	Support with amendments	Mercury supports ongoing research to inform future allocation frameworks for diffuse discharges. The method needs to state the action will be implemented by Council.	<p>Amend Implementation Method 3.11.4.7 to read as follows, or words to like effect:</p> <p>"<u>Waikato Regional Council will gather</u> information..."</p>
3.11.4.10	Support with amendments	<p>Mercury supports the establishment and operation of a publicly available robust accounting system and monitoring for each FMU, as required by the NPS FM.</p> <p>The location of FMU monitoring sites is not in the proposed Plan Change. However, the policies regarding accounting and future allocations will take into account data collected for an FMU. Actions and mitigation of users within an FMU should be attributed accordingly. Mercury submits that the location of monitoring sites for accounting water quality should be within the FMU, or at the downstream boundary of the FMU, and should be shown on a map or tabulated with NZTM grid reference.</p> <p>Mercury recognises that established water quality monitoring sites provide baseline data but submits that the collective actions of land owners, industry, local authorities and others within an FMU should most accurately be accounted for at sites that are the best representation for the FMU. In particular an FMU monitoring site should not be located downstream of discharges in a downstream FMU.</p> <p>For example Mercury understands the proposed Upper Waikato FMU monitoring site is located at the Narrows Boat ramp, well downstream of the FMU boundary and below several large point source discharges. In addition</p>	<p>Amend 3.11.4.10 (a)(ii) to read as follows, or words to like effect:</p> <p>"ii. <u>additional monitoring sites in sub-catchments and on tributaries</u> that are currently unrepresented in the existing monitoring network; and"</p> <p>Establish representative FMU monitoring sites at, or very near, the downstream boundary of an FMU to monitor the progress toward water quality objectives over the next 80 years.</p> <p>Amend a minor reference error in clause (b) to read "Table <u>3.11-1</u>".</p> <p>Amend Map 3.11-1 or insert another map or table that identifies the location of FMU monitoring sites.</p>



Specific Provision	Support / Oppose	The Submission is:	Relief Sought (additions <u>underlined</u> , deletions struck-through):
		to point source discharges, the monitoring point could also be influenced by diffuse discharges between the FMU boundary and the monitoring point. Mercury considers that this will make it difficult to reconcile and evaluate the actions in one sub-catchment against the desired future (short term and long term) water quality targets in Table 3.11-1.	
3.11.4.11	Support with amendments	Mercury seeks that the review and reporting of progress towards and achievement of 80 year water quality targets be required at regular periods. It is suggested this reporting period is not less than every 5 years. Mercury supports the development of certification schemes but submits that the term "Certified Industry Scheme" should be replaced with "Certified Sector Scheme" to avoid confusion with the use of the word "industry" when referring to "regionally significant industry". This is consistent with Mercury's submission on Policy 2.	Amend Implementation Method 3.1.4.11 (a) and (e) to read as follows, or words to like effect: "a. Review and report on the progress towards and achievement of the 80-year water quality objectives of Chapter 3.11 <u>every 5 years</u> "e. Work with industry to collate information on the functioning and success of any Certified Industry Sector Scheme ."
3.11.4.12	Support	Mercury supports development of best management practice guidelines and research into methods for reducing diffuse discharges of contaminants to water.	Retain Implementation Method 3.11.4.12 in the same or similar form.
PART A 3.11.5 Rules and Schedules			
3.11.5	Support	Mercury generally supports the Plan Change 1 rules.	Retain Rules in 3.11.5.1 to 3.11.5.7, and associated Schedules A, B and C, and Schedule 1 and 2, in the same or similar form, except as noted by the submission points below.
Rules 3.11.5.3, 3.11.5.4 and 3.11.5.5	Support with amendments	Mercury supports the development of certification schemes but submits that the term "Certified Industry Scheme" used in the Rules should be replaced with "Certified Sector Scheme" to avoid confusion with the use of the word "industry" when referring to "regionally significant industry". This is consistent with Mercury's submission on Policy 2.	Retain Rule 3.11.5.3 in the same or similar form except amend the Rule to read as follows, or words to like effect: "3.11.5.3 Permitted Activity Rule – Farming activities with a Farm Environment Plan under a Certified Industry Sector Scheme Rule 3.11.5.3 - Permitted Activity Rule – Farming activities with a Farm Environment Plan under a Certified Industry Sector Scheme Except as provided for in Rule 3.11.5.1 and Rule 3.11.5.2 the use of land for farming activities (excluding commercial vegetable production) where the land use is registered to a Certified <u>Industry Sector Scheme</u> is a permitted activity subject to the following conditions:



Specific Provision	Support / Oppose	The Submission is:	Relief Sought (additions <u>underlined</u> , deletions struck through):
			<p>....</p> <p>4. The Certified Industry Sector Scheme meets the criteria set out in Schedule 2 and has been approved by the Chief Executive Officer of Waikato Regional Council; and</p> <p>....”</p> <p>Retain Rule 3.11.5.4 in the same or similar form except amend the Rule to read as follows, or words to like effect:</p> <p>“3.11.5.4 Controlled Activity Rule – Farming activities with a Farm Environment Plan not under a Certified <u>Industry Sector</u> Scheme</p> <p>Rule 3.11.5.4 - Controlled Activity Rule – Farming activities with a Farm Environment Plan not under a Certified <u>Industry Sector</u> Scheme</p> <p>Except as provided for in Rule 3.11.5.1 and Rule 3.11.5.2 the use of land for farming activities (excluding commercial vegetable production) where that land use is not registered to a Certified <u>Industry Sector</u> Scheme....”</p> <p>Retain Rule 3.11.5.5 in the same or similar form except amend standard (d) to read as follows, or words to like effect:</p> <p>“d. The land use is registered to a Certified <u>Industry Sector</u> Scheme; and”</p>
3.11.5 Schedules 1 and 2	Support with amendments	Mercury supports the development of certification schemes but submits that the term “Certified Industry Scheme” used in the Rules should be replaced with “Certified Sector Scheme” to avoid confusion with the use of the word “industry” when referring to “regionally significant industry”. This is consistent with Mercury’s submission on Policy 2.	<p>Amend Schedule 1 - Requirements for Farm Environment Plans, 4th paragraph, to read as follows, or words to like effect:</p> <p>“The requirements set out in A apply to all Farm Environment Plans, including those prepared within a Certified <u>Industry Sector</u> Scheme.”</p> <p>Amend Schedule 2 to read as follows, or words to like effect:</p> <p>“Schedule 2 - Certification of <u>Industry Sector</u></p>



Specific Provision	Support / Oppose	The Submission is:	Relief Sought (additions <u>underlined</u> , deletions struck through):
			<p>Schemes</p> <p>The purpose of this schedule is to set out the criteria against which applications to approve an <u>industry-sector</u> scheme will be assessed.</p> <p>....</p> <p>Assessment Criteria</p> <p>A. Certified <u>Industry-Sector</u> Scheme System</p> <p>The application must demonstrate that the Certified <u>Industry-Sector</u> Scheme:</p> <p>....</p> <p>3. Has documented systems, processes, and procedures to ensure:</p> <p>....</p> <p>h. The responsibilities of all parties to the Certified <u>Industry-Sector</u> Scheme are clearly stated.</p> <p>....</p> <p>j. Transparency and public accountability of Certified <u>Industry-Sector</u> Schemes</p> <p>....</p>
PART A 3.11.6 List of Tables & Maps			
Table 3.11-1	Oppose in part	<p>Mercury supports the principle of Plan Change 1 to use short term and long term numerical water quality targets (Table 3.11-1) as a means to achieve Objective 1 and Objective 3, and to give effect to the Vision and Strategy for the Waikato River. Mercury also supports water quality targets for the rivers in Table 3.11-1 not being used as water compliance limits/standards for consent applications.</p> <p>The Council's Section 32 Evaluation Report in section E.8.5.5 (page 228) on prioritisation and sub-catchment planning states that "...<i>prioritisation</i> [of sub-catchments] <i>should be included in this Plan Change 1 with an emphasis on those areas where there is the biggest gap between the current water quality and the desired future water quality...</i>"</p> <p>However, Mercury considers there is a fundamental problem that Table 3.11-1 identifies 62 water quality target sites (excluding Lakes FMU's) while Table 3.11-2 identifies a total of 74 sub-catchments (which is reduced to 57 water quality target sites and 69 sub-catchments following the partial withdrawal of the Plan Change). That is, in some cases a single water quality target site is being used to monitor and evaluate the actions in two or more sub-catchment</p>	<p>Retain text, in the same or similar form, under the heading of Table 3.11-1 regarding the intention of water quality targets not to be used as receiving water compliance limits/standards.</p> <p>The Council to establish additional water quality target sites (monitoring sites) in Table 3.11-1 with corresponding short term and long term numerical targets, i.e. no more than one sub-catchment area applying to each water quality target site.</p> <p>Amend Table 3.11-2 and Map 3.11-2 to redefine sub-catchment areas in order to differentiate tributaries from the main stem of the Waikato River, particularly for the Upper Waikato River FMU.</p> <p>At the minimum, the redefined sub-catchment Map</p>



Specific Provision	Support / Oppose	The Submission is:	Relief Sought (additions <u>underlined</u> , deletions struck through):
		<p>areas. An example of this is Waikato at Narrows (sub-catchment #33) in the Middle Waikato River FMU and Waikato at Karapiro (sub-catchment #41) in the Upper Waikato River FMU, which are both monitored at the site 'Waikato River Narrows Boat Ramp'. Mercury considers that this will make it difficult to reconcile and evaluate the actions in one sub-catchment against the desired future (short term and long term) water quality targets in Table 3.11-1.</p> <p>Mercury also considers that the current sub-catchment areas do not adequately address the issue of sediment losses in tributaries to the Waikato River for the Upper Waikato River FMU where the sub-catchment monitoring point for the sediment-laden tributaries is the main stem of the Waikato River. The resulting effect is that the location of the monitoring point masks the problem occurring in the tributaries.</p> <p>To address these issues it will be necessary for the Council to:</p> <ul style="list-style-type: none"> (i) establish additional water quality target sites (monitoring sites) with corresponding short term and long term numerical targets, i.e. no more than one sub-catchment area applying to each water quality target site; and (ii) to redefine sub-catchment areas to differentiate tributaries from the main stem of the Waikato River, particularly for the Upper Waikato River FMU. 	<p>3.11-2 (and corresponding Table 3.11-2) should include additional sub-catchments areas:</p> <ul style="list-style-type: none"> - Corresponding to each hydro catchment, e.g. at Arapuni, Maraetai, Atiamuri and Aratiatia (refer to red hydro catchment boundary line on the attached map- Additional Sub-Catchment Areas); and - Any large tributaries entering the Waikato River within the Upper Waikato River FMU (refer to shaded tributary catchments on the attached map – Additional Sub-Catchment Areas). <p>The attached map (Additional Sub-Catchment Areas) is indicative only.</p> <p>In addition, there may be a need to identify other tributary catchments as separate sub-catchments based on current land use and land cover.</p>
Table 3.11-2	Support with amendments	<p>Mercury seeks clarification as to whether sub-catchments identified in Table 3.11-2, and illustrated in Map 3.11-2, include Lakes FMU's.</p> <p>As noted in the submission point on Objective 3 and Table 3.11-1, Mercury believes the short-term improvements in water quality sought by Objective 3 will not be fully achieved based on the current sub-catchment areas and priorities identified in Table 3.11.2.</p>	<p>Add explanatory text in front of table to confirm that Lakes FMUs are included in sub-catchment areas.</p> <p>Amend and redefine sub-catchment areas listed in Table 3.11-2 and mapped on Map 3.11-2 to differentiate tributaries from the main stem of the Waikato River, particularly for the Upper Waikato River FMU, as noted on Mercury's submission point for Table 3.11-1.</p>
Map 3.11-1: Freshwater Management Units.	Support	<p>Mercury supports the scale at which freshwater management units (FMUs) have been delineated.</p>	<p>Retain FMUs as delineated in Map 3.11-1.</p>
Map 3.11-2	Support with amendments	<p>As noted in the submission point on Objective 3 and Tables 3.11-1 and 3.11-2, Mercury believes the short-term improvements in water quality sought by Objective 3 will not be fully achieved based on the current sub-catchment areas and priorities identified in Table 3.11.2.</p> <p>Council needs to redefine sub-catchment areas to differentiate tributaries from the main stem of the Waikato River, particularly for the Upper Waikato River FMU, for the same reasons as noted on the submission for Table 3.11-1.</p>	<p>Amend and redefine sub-catchment areas listed in Table 3.11-2 and mapped on Map 3.11-2 to differentiate tributaries from the main stem of the Waikato River, particularly for the Upper Waikato River FMU.</p> <p>At the minimum, the redefined sub-catchment Map 3.11-2 (and corresponding Table 3.11-2) should include additional sub-catchments areas:</p>



Specific Provision	Support / Oppose	The Submission is:	Relief Sought (additions <u>underlined</u> , deletions struck through):
		<p>For ease of reference, it would also be helpful if consecutive FMU sub-catchment identifiers were part of a single FMU. As an example the Upper Waikato FMU includes sub-catchments 41, 44, 45, 48, 49, 54 while the Middle Waikato FMU contains sub-catchments 42, 43, 46, 47, 50, 51, 52, 53.</p>	<ul style="list-style-type: none"> - Corresponding to each hydro catchment, e.g. at Arapuni, Maraetai, Atiamuri and Aratiatia (refer to red hydro catchment boundary line on the attached map- Additional Sub-Catchment Areas); and - Any large tributaries entering the Waikato River within the Upper Waikato River FMU (refer to shaded tributary catchments on the attached map – Additional Sub-Catchment Areas). <p>The attached map (Additional Sub-Catchment Areas) is indicative only.</p> <p>In addition, there may be a need to identify other tributary catchments as separate sub-catchments based on current land use and land cover.</p> <p>Amend Map 3.11-2 such that sub-catchments within an FMU are numbered consecutively for ease of later referencing.</p>
PART B			
<p>5.1.5 Conditions for permitted activity Rule 5.1.4.11 and standards and terms for controlled activity rules</p>	<p>Support with amendments</p>	<p>Mercury supports the inclusion of a condition in Chapter 5: Land and Soil Module of the Waikato Regional Plan requiring notification prior to the commencement of harvest operations and the requirement for harvest plans. Condition q) of Rule 5.1.4.11 requires that written notice to the Council <i>"must include a harvest plan unless otherwise agreed with the Waikato Regional Council."</i> (emphasis added). Mercury is concerned that this provides open-ended discretion to the Council as to whether a harvest plan is required. The requirement for a harvest plan is not an onerous task and an exception should only be provided in limited specified circumstances, e.g. the harvesting of a very small area in any given year.</p> <p>Condition (a)(iv) of the harvest plan requires the harvest plan map to identify <i>"the location of any riparian vegetation including significant natural areas."</i> The Regional Plan does not identify any significant natural areas and for the avoidance of doubt this condition should refer to any significant natural areas identified in any relevant District Plan.</p> <p>Condition (b)(iv) of the harvest plan requires <i>"areas of existing riparian vegetation to be protected."</i> This condition could have two possible meanings. That is, riparian vegetation not being disturbed during the</p>	<p>Amend 5.1.5 q) to specify the limited circumstances (exceptions) when a harvest plan is not required.</p> <p>Amend 5.1.5 q) Harvest Plan, condition (a)(iv) to read as follows, or words) to like effect: "iv. The location of any riparian vegetation including significant natural areas <u>identified in any relevant District Plan.</u>"</p> <p>Amend 5.1.5 q) Harvest Plan, condition (b) (iv), to clarify the intent and meaning of "riparian vegetation to be protected."</p>



Specific Provision	Support / Oppose	The Submission is:	Relief Sought (additions <u>underlined</u> , deletions struck through):
		harvesting operation, or riparian vegetation to be protected by a legal mechanism or similar as a consequence of the harvesting operation. The intention behind this condition needs to be clarified.	
PART C Additions to Glossary of Terms			
Definition – Certified Industry Scheme	Support with amendments	The use of the term “industry” in “Certified Industry Scheme” and “Regionally Significant Industry” may imply that industries covered by certified schemes may also be considered as regionally significant. Mercury submits that there is no overlap between the two groups and that clarity is required through clear definition of terms. This is consistent with Mercury’s submission on Policy 2.	Amend definition “Certified Industry Scheme” to read as follows, or words to like effect: “ Certified Industry Sector Scheme/s is a scheme...”
New Definition – Regionally Significant Industry	New	Mercury submits that the term “regionally significant industry” should be defined in the Waikato Regional Plan to provide clarity to the intent and application of Policy 10 of the Plan Change. The definition should give effect to the definition of “regionally significant industry” given in the Waikato Regional Policy Statement, which is: <i>“Regionally significant industry - means an economic activity based on the use of natural and physical resources in the region and is identified in regional or district plans, which has been shown to have benefits that are significant at a regional or national scale. These may include social, economic or cultural benefits.”</i> In addition, the definition should be consistent (to the extent necessary) with the existing definition for “industry” given in the Waikato Regional Plan.	Add a new definition to the Glossary of Terms to read as follows, or words to like effect: “ Regionally significant industry – For the purpose of Chapter 3.11, means an economic activity based on the use of natural and physical resources in the region which have benefits that are significant at a regional or national scale, including their associated point source discharges . These may include social, economic or cultural benefits. Regionally significant industry includes the following activities, but does not include primary production activities or Certified Sector Schemes : a. <u>Dairy manufacturing sites</u> b. <u>Meat processing and rendering plants</u> c. <u>Pulp and paper processing plants; and</u> d. <u>mineral extraction activities</u> ”
Definition – Sub-catchment	Support with amendments	Minor reference errors in the definition need to be corrected, including a reduction in the number of sub-catchments as a result of the partial withdrawal of the Plan Change. In addition, the total number of sub-catchments could change as a result of Mercury’s submission to redefine the sub-catchment areas in Tables 3.11-1 and 3.11-2 and Map 3.11-2.	Amend definition “Sub-catchment” to read as follows, or words to like effect: “... an area of land within the Waikato <u>or Waipa</u> River catchment ... draining to one of <u>69</u> locations ...” Consequential amendment to the total number of sub-catchments referenced in the definition as a



Specific Provision	Support / Oppose	The Submission is:	Relief Sought (additions <u>underlined</u> , deletions struck through):
			result of submissions by Mercury and others.
PART D Consequential Amendments to the Waikato Regional Plan			
3.2 Management of Water Resources – Water Management Classes	Support	Mercury supports the new paragraph on “Freshwater Management Units” regarding water quality targets for the rivers in Chapter 3.11 not being used as water compliance limits/standards for consent applications. This clearly sets out the purpose and relationship of Water Management Classes verses water quality targets in the FMUs.	Retain the text, in the same or similar form under the heading “Freshwater Management Units” regarding the intention of water quality targets not to be used as water compliance limits/standards.
3.5 Discharges – Background and Explanation	Support with amendment	The new sentence is incomplete and a minor correction is needed to add the word “discharges”.	Amend the new sentence in Chapter 3.5 Background and Explanation to read as follows, or words to like effect: “... associated diffuse <u>discharges</u> .”
Rule 4.2.10.1 Permitted Activity rule – Discharge and Intake Structures	Oppose	Mercury opposes the proposed amendment to condition (n) “ <i>The structure shall be consistent with the provisions specified in the Water Management Classes in Section 3.2.4 of this Plan and in the case of the Waikato and Waipa River catchments, the relevant water quality objectives in Chapter 3.11.</i> ” It is not clear what is intended by the inclusion of the proposed text. In particular, the addition text on condition (n) is subjective and therefore provides no certainty when assessing an activity against the permitted activity rule.	Amend 4.2.10.1 (n) to read as follows, or words to like effect: “ <i>The structure shall be consistent with the provisions specified in the Water Management Classes in Section 3.2.4 of this Plan <u>and in the case of the Waikato and Waipa River catchments, the relevant water quality objectives in Chapter 3.11.</u></i> ”
4.3.3 Policy 1 – Bed and Bank Alterations and Extraction of Sand, Gravel and Other Bed Material	Support with amendments	Proposed amendment to 4.3.3 Policy 1 (b) includes the addition of text that refers to “objectives”. Mercury submits that the reference should be to policies not objectives in this instance. That is, it is the policies in Chapter 3.11 and elsewhere in the Regional Plan that implement the Plan objectives. The change sought by Mercury is consistent with other consequential changes documented in the Plan Change.	Amend 4.3.3 Policy 1(b) to read as follows, or words to like effect: “b) does not degrade water quality and aquatic ecosystems in a manner that is inconsistent with policies in Section 3.2.3 and the <u>objectives policies</u> in Section 3.11.2”
Method 4.3.5.3 Livestock Access	Support with amendments	Mercury supports the new sentence advising that the Waikato and Waipa River catchments are excluded from Method 4.3.5.3. However, for the avoidance of doubt and clarity for all plan users, any water bodies within the Waikato and Waipa River catchments that are listed and named in Table 4-1 (which sits under Method 4.3.5.3) should be deleted.	Amend Table 4-1 – Priority Water Bodies for Livestock Exclusion, to remove any named/listed water bodies that are within the Waikato and Waipa River catchments.
5.1 Accelerated Erosion	Support	A number of consequential changes are proposed to Chapter 5.1 that defines the relationship between Chapter 5.1 and Chapter 3.11. In particular, these two chapters must be read together for the diffuse discharge of sediment to water from the use of land for farming within the Waikato and Waipa River	Retain the consequential changes to Chapter 5.1 in the same or similar form.



Specific Provision	Support / Oppose	The Submission is:	Relief Sought (additions <u>underlined</u> , deletions struck through):
5.2.3 Policy 2 - Other Discharges Onto or Into Land	Support with amendments	<p>catchments. These consequential changes should be retained.</p> <p>The consequential changes to Chapter 5.2 are supported, with the exception of 5.2.3 Policy 2 which refers to the Chapter 3.11 objectives rather than the Chapter 3.11 policies. That is, it is the policies in Chapter 3.11 and elsewhere in the Regional Plan that implement the Plan objectives. The change sought by Mercury is consistent with other consequential changes documented in the Plan Change.</p>	<p>Amend 5.2.3 Policy 2(c) to read as follows, or words to like effect:</p> <p>"c) any effect on water quality or aquatic ecosystems that is inconsistent with the purpose of the Water Management Classes as identified by the policies in Section 3.2.3.3 or in the Waikato and Waipa River catchments, the water quality <u>objectives policies</u> in Section 3.11.23."</p>
OTHER			
Consequential amendments		Mercury also seeks any further or consequential amendments to achieve the intent of the submissions set out above.	



