

BALLANCE SUBMISSION SUMMARY - WAIKATO REGIONAL PLAN CHANGE 1 – WAIKATO AND WAIPA CATCHMENTS

Ballance Agri-Nutrients Ltd (hereafter referred to as '**Ballance**', or '**the Company**') is a farmer-owned co-operative with over 19,000 shareholders and approximately 800 staff throughout New Zealand. The Company owns and operates super-phosphate manufacturing plants located in Tauranga and Invercargill, as well as New Zealand's only ammonia-urea manufacturing plant located at Kapuni, South Taranaki.

Ballance places a strong emphasis on delivering value to its shareholders and on the use of the best science to inform sustainable nutrient management.

Ballance has extensive interests in the development of tools to manage nutrient losses on farms.

- The Company, with AgResearch, has undertaken extensive research into developing 'MitAgator' which is a GIS-based water quality decision support tool that links with OVERSEER® to refine the latter models output.

The integration of management tools such as MitAgator and OVERSEER® will help to provide more cost-effective environmental management solutions for farmers, while ensuring that water quality outcomes, such as those set out in the Waikato Regional Plan Change 1 – Waikato and Waipa Catchments ('**Plan Change 1**'), can be achieved in timeframes that recognise the socio-economic impacts of changing farm management practices, and ensuring that the responsibilities of adopting water quality outcomes are not simply passed onto future generations.

Ballance in its submission to Plan Change 1 supports both the long-term and short term (10-year) staged implementation timeframes set out in this plan change. The Company accepts that, on the basis of the information available, the long-term 80-year timeframe set out in Plan Change 1 to achieve the water quality objectives is both appropriate and achievable. The Company is also, however, of the opinion that Plan Change 1 must be clear that this long term timeframe is to be reviewed during the staged implementation of Plan Change 1, and that the timeframe could be condensed if robust science, research and adoption of management tools/techniques (such as MitAgator) enable the achievement of the water quality outcomes in Plan Change 1 earlier, but in a manner that does not create unacceptable social and economic harm.

Ballance supports the staged approach under Plan Change 1 (Objective 4 of Section 3.11.2 (Objectives)) and considers that the first 10-year short term outcomes that form part of the staged approach under Plan Change 1 set appropriate targets and achievable timeframes for the community to work towards. The Company considers that this response appropriately recognises that immediate (or even short term) large-scale land use change may be socially disruptive and economically challenging, and that there is considerable effort and cost for resource users, industry and Council to set up the change process in the first stage.

Underpinning the staged implementation of the Plan Change 1, **Ballance considers that ongoing research and any support that the Waikato Regional Council can provide into this space is an essential part of nutrient management** and will be essential as Council moves towards Stage 2 of improving water quality within the Waikato and Waipa catchments. The

Company therefore supports Implementations Methods in Plan Change 1 that require ongoing research over the staged implementation phase of this plan change.

Ballance is particularly concerned with Policy 6 and supporting Rule 3.11.5.7 of Plan Change 1. These provisions place restrictions on land use change. Rule 3.11.5.7 focuses on land use change that was occurring at 22 October 2016 and applies within a property or enterprise, where the extent of the change exceeds a total of 4.1 hectares in area. The rule applies to land use change from:

- woody vegetation to farming activities;
- any livestock grazing to dairy farming;
- arable cropping to dairy farming; and
- any land use to commercial vegetable production (unless provided for in rule 3.11.5.5 Existing commercial vegetable production).

Ballance is concerned that the changes in land use specified under Rule 3.11.5.7 would become a non-complying activity, until 1 July 2026, which is, by definition, the most difficult category of resource consent to secure under the Resource Management Act 1991. Given the high hurdle that this establishes, Ballance is concerned that Policy 6 and supporting Rule 3.11.5.7 may generate socio-economic impacts upon the component parts of the Waikato farming community, and therefore has sought amendments to this rule and suggests that the Council adopt a discretionary activity status, which is likely to be just as effective over the first stage of implementing the water quality outcomes set out in Plan Change 1. Further, Ballance seeks amendments to Policy 6 such that the policy wording is more targeted at dealing with increases of discharges of nitrogen, phosphorus, sediment or microbial pathogens where these occur in an over-allocated catchment or sub-catchment.

Ballance also questions the practicality and effectiveness (in economic terms) of excluding cultivated or grazed land over 15 degree sloped land from the permitted activity Rule 3.11.5.2. Under this rule, all farming and cultivation on slopes greater than 15 degrees require a Restricted Discretionary Activity consent under Rule 13.11.5.6. The Company has requested that the rule be amended so that cultivation and grazing activities that are managed through the adoption of Good Management Practices (described in the document entitled 'Industry-agreed Good Management Practices relating to water quality' - dated September 2015) are a permitted activity where GMP practices are adopted with the aim of minimising the effects of bad practice, such as the loss of sediment and nutrients.

Ballance raises concern with Schedule A - Registration with Waikato Regional Council on the basis that the schedule does not direct property owners to where to register this information and simply assumes that this information will be provided via non-electronic system. The Company considers that Schedule A should be supported with a clearer overview of the registration process and how registration should be implemented and where this is to occur.

Ballance supports (in part) Schedule B – Nitrogen Reference Point, however the Company has requested amendments to the timeframes for the registration of the NRP and the NRP data under Schedule B (as identified in clause e) of Schedule B,) to a more achievable timeframe, such as the period beginning 12 months from the date that the Plan Change is made operative. Further, the Company concerned that reference is made to Certified Farm Nutrient Advisor in sub clause (a) to Schedule B. The Company has requested that 'Certified Farm Nutrient Advisor' be replaced with 'Certified Nutrient Management Adviser' (a person certified under the Nutrient Manager Adviser Certification Programme Ltd) to ensure that an

appropriately qualified person with specialist skills in nutrient use and management is provided for as part of this review process.

Ballance has undertaken a detailed technical appraisal of Schedule B – Nitrogen Reference Point and has requested a number of changes to ensure that the schedule is more effective for farmers and easier to implement for the Waikato Regional Council.

Ballance supports Schedule C – Stock exclusion, however the Company notes that there is an inconsistency between the clause 2 (which references to one metre setback) and the three metre setback identified within Rule 3.11.5.2.3(e). The Company has requested that Schedule C be amended to align with the three-metre setback, which is more effective nationally accepted riparian setback distance.

Ballance supports the parameters set out within Schedule 1 – Requirements for Farm Environment Plans, however the Company considers that imposing a 5 metre cultivation setback for cultivation on sloping land under clauses (b)(iii) and clause (f) of Schedule 1, is excessive. Ballance has therefore requested amendments so that this setback does not apply where Good Management Practices are adopted on farm with the aim of minimising the effects of bad practice, such as the loss of sediment and nutrients.

Ballance has sought amendments to the definition of Good Management Practice (GMP) within Plan Change 1 and has requested that it be amended to cross-reference to “Industry Agreed Good Management Practices” being the practices described in the document entitled ‘Industry-agreed Good Management Practices relating to water quality’ - dated September 2015. “

Ballance intends to work Together with it’s internal and external stakeholders to achieve an appropriate submission on this Plan Change, which will be lodged in accordance with the timetable laid out.

Queries, questions or comments on this summary should be directed to either:

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