IN THE MATTER OF The Resource Management Act 1991

AND

IN THE MATTER OF **The Proposed One Plan:** Consolidated Regional Policy Statement, Regional Plan and Regional Coastal Plan for the Manawatu - Wanganui Region

STATEMENT OF EVIDENCE BY NIGEL SADLIER

QUALIFICATIONS AND EXPERIENCE

1. My name is Nigel Sadlier. I graduated from Auckland University of Technology with an Applied Science degree, majoring in environmental management in 2004. I have been employed within the primary sector as an environmental manager since graduating and have been employed by Ballance Agri-Nutrients Ltd for one year as the Environmental Manager, based at the Head Office in Mount Maunganui. I am primarily responsible for central and regional government environmental policy analysis and environmental systems management.

2. With me is Mr Warwick Catto. Mr Catto is the Head of Agro-Sciences at Ballance, where he is employed as an expert in fertiliser and nutrient management. Mr Catto will be available to respond to questions from the Hearing Committee as required.

INTRODUCTION

3. Ballance Agri-Nutrients Limited is a fertiliser specialist in the New Zealand market, with superphosphate manufacturing plants located in Whangarei, Mount Maunganui and Invercargill. In addition, the company owns the ammonia-urea manufacturing plant at Kapuni in Taranki, Summit Quinphos, New Zealand's third-largest fertiliser company and Super Air, one of the country's largest agricultural aviation companies. Ballance is a 100-percent farmer-owned co-operative, with over 18,000 shareholders throughout New Zealand.

SCOPE OF EVIDENCE

4. Our evidence is prepared with regard to the Horizons Regional Council Planning Evidence and Recommendations Report No. 2008/EXT/935, dated August 2009.

5. Our evidence is presented in relation to our original submission, and specifically in relation to Chapter 6 – Water, Chapter 13 – Discharges to Land, and Schedules B, C and D as follows:

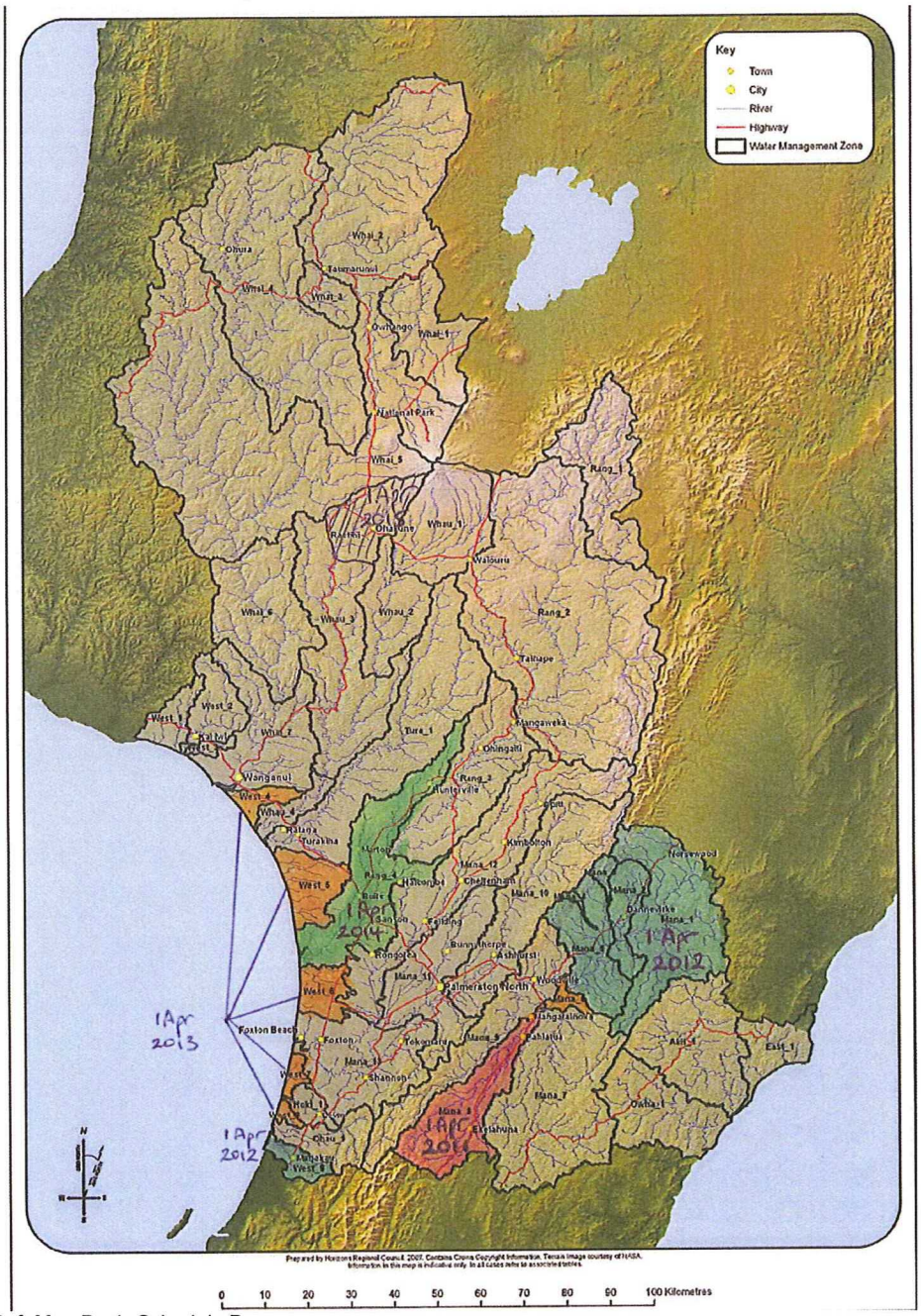
   Rules Agricultural Activities – Rule 13.1
   Rules Agricultural Activities – Rule 13.2
   Rules Agricultural Activities – Table 13.1
   Rules Agricultural Activities – Table 13.2

Rules Agricultural Activities – Rule 13.1

6. Ballance **opposes** the establishment of controlled activity status for all existing and future farming activities identified by Rule 13.1, and the proposed application of the Land Use Classification (LUC) values to farms.

7. We understand the proposed process for regulating farming activities in the Manawatu-Wanganui region to occur as follows:

    1. The region is divided into Water Management Zones
    2. The Water Management Zones have associated values as described within Schedule Ba.
    3. Water Quality Standards are applied relative to values as described within Schedule D
    4. Agricultural activities are proposed to be controlled, over time within the Water Management Sub-Zones as illustrated



Ref: Map Ba 1. Schedule Ba

5. Agricultural activities within the remainder of the region are proposed to be controlled at the time the One Plan becomes operative.
6. The agricultural activities of Dairy Farming, Cropping, Commercial Vegetable Growing (and Market Gardening), and Intensive Sheep and Beef Farming will require a Controlled Activity resource consent to farm subject to (broadly) meeting the following conditions:
   (a) Application and use of a FARM Strategy
   (b) Calculation of maximum nitrogen losses for the whole farm in accordance with the values for each Land Use Capability Class (LUC) as illustrated:

	LUC I	LUC II	LUC III	LUC IV	LUC V	LUC VI	LUC VII	LUC VIII
Year 1 (when *rule^* comes into force) (kg of N/ ha/year)	32	29	22	16	13	10	6	2
Year 5 (kg of N/ ha/year)	27	25	21	16	13	10	6	2
Year 10 (kg of N/ ha/year)	26	22	19	14	13	10	6	2
Year 20 (kg of N/ ha/year)	25	21	18	13	12	10	6	2

Ref: Table 13.2. Chapter 13

8. We continue to have significant concerns about two particular aspects of the proposal:
   1. The activity status of Agricultural Activities
   2. The practical on-farm application of the LUC Classes and associated Nitrogen leaching/run-off values.

Rule 13.1: Activity Status

9. We believe the proposed Rule 13.1 controlled activity status for farming activities is unnecessary and unduly restrictive, with the associated conditions/matters for control better suited as permitted activity status conditions.

10. Permitted activity status provides the greatest long-term certainty for farmers, and the least-cost, least-time option for both farmers and Regional Council, as a result of not having to prepare or assess Resource Consent applications and Assessments of Environmental Effects.

11. Furthermore, permitted activity status provides the greatest level of flexibility for individual farm systems to operate and manage their activities to meet the proposed region-wide water quality standards and nutrient loss targets.

12. The comparison between Permitted and Controlled Activity status is further illustrated in Table 2:

Table 2

PERMITTED ACTIVITY	CONTROLLED ACTIVITY
No resource consent or assessment of environmental effects required	Resource consent application and associated Assessment of Environmental Effects required under the RMA 1991
No regulatory expiry date for farming activities	Resource Consent review and expiry dates to be considered
Requirement to prepare a FARM Strategy that includes maximum nitrogen leaching/run-off values in accordance with the Land Use Capability Class – Table 13.2	Requirement to prepare a FARM Strategy that includes maximum nitrogen leaching/run-off values in accordance with the Land Use Capability Class – Table 13.2
Regional Council requirement to monitor activities to ensure FARM Strategies have been prepared, submitted, and are being acted upon as required.	Regional Council requirement to monitor activities to ensure FARM Strategies have been prepared, submitted, and are being acted upon as required.
Activities that do not comply with the Permitted Activity status conditions, will require Discretionary Activity status resource consent, or face the potential for enforcement action.	Activities that do not comply with the Controlled Activity status conditions, will require Discretionary Activity status resource consent, or face the potential for enforcement action.

13. We believe the same environmental benefits can be gained from Permitted activity status as they can be from Controlled activity status, with Permitted Activity status providing a more economic and environmentally efficient day-to-day operation of the farming business.

Rule 13.1: LUC Classes and associated Nitrogen leaching/runoff values

14. In general, we support the proposal to apply output-based targets against which activities can be measured and monitored over time, on the basis that the targets can be realistically applied on-farm in a manner that is both fair and equitable.

15. We believe output-based targets coupled with Permitted Activity status conditions, will provide farmers (and service providers) with the flexibility necessary to manage their activities to meet the required targets, thereby providing for both on-farm innovation and regulatory certainty.

16. On the basis of the above we cannot support the application of LUC Classes and associated Nitrogen leaching/runoff values to farm systems as currently proposed, as we do not believe LUC Classes and associated Nitrogen leaching/runoff values can be practically applied in a fair and equitable manner.

17. To expand on the point of fair and equitable application of LUC Classes and associated Nitrogen leaching/runoff values one must consider the scenario of applying the model on-farm. In real terms, it is likely that both regulatory and economic drivers will heavily influence application of the model to a farm. In other words, there may be significant pressure on farm advisors/consultants to ensure that the model is applied in a way that provides the highest economic return possible.

18. Furthermore, in real terms the model assumes that resources of appropriate number and training are immediately available to meet the requirements of on-farm LUC classification in way that is consistent and verifiable.

19. No certainty has been provided within the proposed One Plan on resourcing, or verification requirements to meet the Rule requirements of the Plan.

20. Over the long-term, application of LUC Classes and associated Nitrogen leaching/runoff values to farm systems must be adaptable to land-use and technology changes, therefore further re-enforcing the necessity for a well-resourced support capability.

21. Also of concern is the proposed LUC Classes and associated Nitrogen leaching/runoff values model places a "cap" on total Nitrogen losses without providing for trading of Nitrogen between land-use activities. For example, where a farm system on LUC Class I land is shown to decrease Nitrogen losses over time, a farm system on LUC Class V land cannot offset any potential increase in Nitrogen loss through a trading system.

22. We believe the capacity for a trading system for Nitrogen within the proposed LUC Classes and associated Nitrogen leaching/runoff values model, would enable economic and environmental efficiencies and still be consistent with the proposed One Plan Policy of "maintaining or enhancing existing water quality".

Decisions Sought from the Hearing Committee

(a) Amend Rule 13.1 classification status for Dairy Farming, Cropping, Commercial Vegetable Growing (and Market Gardening), and Intensive Sheep and Beef Farming Activities from Controlled to Permitted.

(b) Include the method/s by which the proposed One Plan will ensure that resource capability is well-equipped through adequate numbers, training, support, and verification systems to ensure that the proposed LUC Classes and associated Nitrogen leaching/runoff values model is

applied fairly and equitably across the Manawatu-Wanganui region.

(c) Include the method/s by which the proposed One Plan will provide for Nitrogen trading between farm systems to enable economic efficiencies and ensure consistency with the proposed One Plan policy of "maintaining or enhancing existing water quality".

Rules Agricultural Activities – Rule 13.2

23. Ballance **opposes** amended Rule 13.2 conditions (d) and (e).

24. Rule 13.2 condition (d) allows for the application of fertiliser as a Permitted Activity, provided a Nutrient Budget is adopted for application of nitrogen fertiliser in excess of an application rate of 60kg N/ha/year.

25. In practice, most farming practices are likely to have two annual applications of nitrogen-based fertiliser of approximately 50-60kg/N/Ha. In real terms the practical annual application of nitrogen would be more likely to be 120kg/N/Ha/yr.

26. Furthermore, current work by AgResearch does not support the adoption of a fertiliser application rate threshold of 60kg N/ha/year. It is understood the work supports a nitrogen loading rate of up to 180kg/N/ha/yr before nitrate leaching occurs to an extent that may begin to exceed the nitrate-nitrogen Drinking Water Standard of 11.3mg/L.

27. Rule 13.2 condition (e) allows for the application of fertiliser as a Permitted Activity, provided the discharge does not result in any objectionable odour or fertiliser drift to the extent that causes an adverse effect beyond the property boundary.

28. We believe condition (e) is made redundant due to adherence with Rule 13.2 condition (c). Furthermore, how an assessment of what is objectionable will be determined has not been described within the One Plan.

29. Ballance **supports** amended Rule 13.2 condition (c), being application of fertiliser in accordance with the Code of Practice for Nutrient Management (New Zealand Fertilisers Manufacturers Research Association 2007).

Decisions Sought from the Hearing Committee

(a) Amend Rule 13.2, condition (d):

Where nitrogen fertiliser in excess of an application rate of ~~60~~120kg N/ha/year is applied onto land a nutrient budget, which takes account of all other sources of nitrogen and which is designed to minimise nitrogen leaching rates, shall be used to plan and carry out the fertiliser application.

(b) Retain amended Rule 13.2 condition (c)

The fertiliser shall be applied in accordance with the Code of Practice for Nutrient Management (New Zealand Fertilisers Manufacturers Research Association 2007), except where the fertiliser is being applied for domestic purposes, meaning the garden associated with the household.

(c) Remove Rule 13.2 condition (e)

Rules Agricultural Activities – Table 13.1

30. Ballance **seeks amendment** to the proposed Water Management Sub-Zones Table 13.1 and associated Schedule Ba.

31. In our original submission we sought to clearly identify the zones described in Table 13.1 (in particular the Lake Horowhenua zones) through the use of colour-coded maps.

32. We recognise the Planners recommendation to include a new sentence at the end of Table 13.1, which references the colour-coded maps in Schedule Ba.

33. However, we wish to point out that the colour-coded maps still do not identify Water Management Sub-Zones Hoki_1a, Hoki_1b (Lake Horowhenua), Mana_9a, and 9c (Manawatu above gorge) and Mana_9b (Mangapapa), all identified within Table 13.1.

34. Finally, we wish to point out that it is not immediately, or easily apparent as to why the Table 13.1 activity areas are specifically targeted for control. The Catchments, Water Management Sub-Zones, and dates the rules come into force have not been described relative to the Schedule Ba surface water management values.

Decisions Sought from the Hearing Committee

(a) Clearly identify Water Management Sub-Zones Hoki_1a, Hoki_1b, Mana_9a, Mana_9b, and Mana_9c on the colour-coded maps within Schedule Ba: Water Management Zones and Associated Values – Surface Water and Groundwater.

(b) Clearly identify in Table 13.1 the surface water management values relative to the Water Management Sub-Zones, which are driving the phased control of activities within the Manawatu-Wanganui region.

Conclusion

35. We would like to thank Horizons Regional Council for the opportunity to present our evidence today. We welcome any questions

DATED this 28th day of September 2009.

Nigel Sadlier
Environmental Manager
Ballance Agri-Nutrients Limited