under: the Resource Management Act 1991

In the matter of: Hearings on Submissions on the Proposed One Plan

between: Fonterra Co-operative Group Limited

Submitter

and: Horizons Regional Council

Respondent

Opening Legal Submissions on behalf of Fonterra Co-operative Group Limited

Dated: 2 July 2008

Date of Hearing: 2 July 2008

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Reference: S M Jarissen/B W Rogers

INTRODUCTION

1 I appear on behalf of Fonterra Co-operative Group Limited (*Fonterra*) to make opening legal submissions in respect of The Proposed One Plan – the Consolidated Resource Policy Statement, Regional Plan and Regional Coastal Plan for the Manawatu-Wanganui Region (*Proposed One Plan*).

2 Fonterra is appearing at this initial hearing to address its overall concerns with the Proposed One Plan. Fonterra will also appear at the subsequent hearings to address particular issues, as follows:

2.1 Air (Hearing scheduled for late November 2008);

2.2 Water Quality (Hearing scheduled for mid-January 2009); and

2.3 Water Quantity, allocation and groundwater (Hearing scheduled for mid-February 2009).

3 Fonterra may appear at other hearings if appropriate.

4 Fonterra appears at this initial hearing for two principal reasons:

4.1 Fonterra wishes to air its significant concerns with the Proposed One Plan early in the process to avoid surprises later in the hearing and to provide an opportunity to work with Horizons Regional Council (*Horizons*) staff (as appropriate) to address these concerns as the hearings progress; and

4.2 Fonterra has serious concerns with the adequacy of the analysis under Section 32 of the Resource Management

Act 1991 (*RMA* or the *Act*) leading up the notification of the Proposed One Plan.[1]

WITNESSES

5 The following witnesses will appear on behalf of Fonterra at this initial hearing:

5.1 Mr John Hutchings (Fonterra's General Manager, Sustainable Production) will address Fonterra's commitment to sustainability, and will outline viable options to improve on-farm environmental performance, including nutrient leaching;

5.2 Mr Murray Holdaway (a local dairy farmer) will outline the potential implications of the Proposed One Plan on people living and working in the Horizons region;

5.3 Dr Brent Layton (an economist specialising in regulatory economics) will discuss good regulatory practices, and assess the adequacy of the Section 32 analysis for the Proposed One Plan; and

5.4 Mr Nathan Baker (a planner) will explain the role Section 32 plays in the plan-making process, and will evaluate the approach of Horizons staff to Section 32 analysis in preparation of Proposed One Plan.

6 Fonterra will call additional witnesses at the later hearings on particular topics.

OUTLINE OF SUBMISSIONS

7 In these submissions, I address the following:

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[1] I note that in excess of forty submitters have made submissions challenging the pre-notification analysis required under Section 32(1).

(b) The risks of not acting.[17]

23.3 The regional council must prepare and publish a report:

(a) Summarising its pre-notification evaluation, and

(b) Giving reasons for that analysis.[18]

24 Under Step 2, the regional council must repeat **1 and 2** – conduct a further analysis of costs and benefits of policies, rules, and other methods – before making a decision under Schedule 1 of the RMA.

Shortcomings of Current Section 32 Analysis by Horizons

25 It is submitted, for the reasons detailed in Dr Layton's and Mr Baker's evidence, that the Section 32 analysis for the Proposed One Plan is inadequate. As a consequence, it has not been shown that the proposed policies, rules, or other methods are the most appropriate way to achieve the objectives as required by *Eldamos*.

26 Of primary concern is the failure to assess adequately competing options (policies, rules, or methods) for achieving the objectives. As Dr Layton explains in his evidence:

> [T]he policies, rules and other methods have been chosen and publicly notified in advance of the evaluation of their benefits relative to their costs and the costs of alternatives; in other words, in advance of consideration of their efficiency. In my opinion, it is not consistent with good regulatory practice principles to decide on which approaches to propose without carrying out, so far as possible, an evaluation of costs and benefits first.[19]

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17 RMA, s32(4).

18 RMA, s32(5) and (6).

19 Statement of Evidence of Brent Layton at [28].

27 Mr Baker expresses similar concerns with the Section 32 analysis as follows:

> [T]o publicly notify objectives, policies, rules and other methods without conducting a rigorous evaluation of their costs and benefits relative to other options is not consistent with s32. Section 32 requires more than post-hoc rationalisation of pre-determined policies.[20]

28 It is submitted that the pre-notification Section 32 analysis (Step 1):

28.1 Falls well short of the statutory requirements;

28.2 Presents incomplete information which may compromise the decision-making process; and

28.3 May lead to policies, rules, and other methods that are not the most appropriate.

29 It is submitted that the real-world implications of the flawed approach are well-illustrated by Mr Holdaway, a local dairy farmer. As Mr Holdaway explains in his evidence:

> [F]armers ... [need to be] given a clear and consistent understanding of what is expected of them and ... have the confidence that the suggested solutions are going to provide the outcome required at a reasonable cost.[21]

30 However, as Mr Holdaway explains, he is unable obtain this assurance from a review of the documents provided (the Proposed One Plan and the Section 32 Report).

31 It is submitted that, as a consequence of the inadequate analysis under Step 1 (pre-notification), the Commissioners have been placed in the unfortunate situation of being required to

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20 Statement of Evidence of Nathan Baker at [51].

21 Statement of Evidence of Murray Holdaway at [23].

> Without the benefit of a thorough s32 analysis and focussed submissions, the hearing process will be strained as submitters, council staff and Commissioners try to play 'catch up' on the s32 analysis.[37]

Horizons' Responsibility for Assessing Options

56 Submitters play a crucial role in the plan making process – that is why we are all here today. But it is submitted that it is inappropriate to try to shift the burden of identifying options on to the submitters.

57 It is the regional council's primary responsibility to identify and assess options under Section 32. While it is accepted that submitters have a role to play in commenting upon and refining the policy options, it is not their burden to identify the options in the first instance. To impose such an onus on submitters would fundamentally shift the burden under Section 32 away from the regional council and onto the submitters. It is submitted that this would be inappropriate and contrary to the RMA.

58 As Dr Layton explains:

> To require each potential submitter to undertake their own research and their own cost benefit analysis and reach their own conclusions is inefficient and poor regulatory practice.[38]

59 Mr Maassen appears to imply that submitters challenging the Section 32 analysis are looking for a "jurisdictional king hit."[39] It is submitted that this is far from the truth in these proceedings. Fonterra is not looking for a "king hit"; instead, it is endeavouring to ensure that viable options have been assessed so that the Commissioners are able to make a decision as to the most appropriate approach. Fonterra is not making broad-side

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37 Statement of Evidence of Nathan Baker at [55].

38 Statement of Evidence of Brent Layton at [41].

39 Maassen Section 42A Report at [23].

procedural attacks; it is focussing on important substantive questions that will need to be resolved in this hearing.

Role of Economics

60 In regard to the role of economics, it is respectfully submitted that Mr Percy and Mr Maassen have appeared to miss the point. No one is arguing (to the best of my knowledge) that Horizons should assign economic values to environmental parameters in order to conduct an assessment of the appropriateness of the proposed policy options.

61 Instead, as Dr Layton makes clear:

> It is not simply a comparison of the costs and benefits of the effectiveness of a particular approach in which the costs may be quantifiable but the benefits (eg improved water quality) may be difficult to quantify. Rather, it is the comparison of the relative costs and benefits of competing approaches where the analysis pays its greatest dividends. For example, if two approaches achieve the same end (eg better water quality) but one costs a fraction of the other, then the less expensive approach would be more efficient. However, absent a cost benefit analysis of competing options, it is impossible to know if one can achieve the same result at lower cost. In my view, the failure to assess the relative costs and benefits of competing approaches is a serious shortcoming of the s32 analysis.[40]

62 It is submitted that economic analysis is clearly relevant in the context of comparing policy options under Section 32. As the Environment Court explained in *Memon and Others v Christchurch City Council:*

> Net benefit calculations allow direct comparison of the costs and benefits of different ... options.[41]

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40 Statement of Evidence of Brent Layton at [34].

41 *Memon and Others v Christchurch City Council* (EnvC, C116/2003, 18 August 2003, Judge Jackson) at [77].

63 It is submitted that economic analysis is especially relevant with respect to evaluating policies, rules and other methods with regard to their efficiency and effectiveness under Section 32(3)(b). As the Commissioners will recall, this section requires an analysis of:

> [W]hether, having regard to their efficiency and effectiveness, the policies, rules, or other methods are the most appropriate for achieving the objectives. [42]

64 As the Commissioners will further recall, Section 7(b) of the RMA expressly requires that particular regard shall be had to:

> [T]he efficient use and development of natural and physical resources.[43]

65 As the High Court in *Machinery Movers Ltd v Auckland Regional Council* stated:

> The RMA explicitly recognises the importance of having environmental laws which are economically efficient.[44]

Additional Issues with Respect to Section 32 Analysis

66 A further shortcoming of the Section 32 analysis is the failure to justify the proposed restrictions on air discharges as required by Section 32(3A) of the RMA.

67 Section 32(3A) provides that:

> This subsection applies to a rule that imposes greater prohibition or restriction on an activity to which a national environmental standard applies than any prohibition or restriction in the standard. The evaluation of such a rule must examine whether the prohibition or

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42 RMA, s32(3)(b).

43 RMA, s7(b).

44 *Machinery Movers Ltd v Auckland Regional Council* [1994] 1 NZLR 492 at 502.

restriction it imposes is justified in the circumstances of the region or district.[45]

68 The National Environmental Standards for Air Quality (*NESAQ*) govern air discharges. Under the NESAQ, two pre-conditions must be met before discharges of PM_{10} will be regulated under the NESAQ prior to September 2013:

68.1 the concentration of PM_{10} in the airshed already breaches its ambient air quality standard; and

68.2 the discharge to be permitted by the resource consent is likely to increase significantly the concentration of PM_{10} in the airshed (ie the "significance test").[46]

69 However, the policies and tables in the Proposed One Plan with respect to air discharges do not incorporate the "significance" test. As a result, they impose greater restrictions than are required under the NESAQ.

70 The Section 32 report, however, fails to examine whether these greater restrictions are justified. It is submitted that this is in violation of Section 32(3A) of the RMA.

RELIEF SOUGHT

71 Dr Layton has outlined what he considers to be the options available to the Commissioners to address the shortcomings of the Section 32 analysis and recommends that, for the contentious issues, Horizons "go back and re-do the s32 analysis to conform to the standards of good regulatory practice."[47]

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45 RMA, s32(3A).

46 NESAQ, Regulation 17(1).

47 Statement of Evidence of Brent Layton at [52.3].

72 It is submitted that this is a prudent course of action, and that it may be performed within the current hearings schedule – at least with respect to water quality and water quantity, which are the primary areas of concern for Fonterra.

73 Fonterra therefore seeks the following relief:

73.1 Horizons staff perform a robust cost/benefit analysis of competing policy options (policies, rules and other methods), to address water quality and water quantity objectives;

73.2 The cost/benefit analysis include express consideration of non-regulatory approaches;

73.3 The cost/benefit analysis be made available to all submitters well in advance of the hearing on the relevant topic;

73.4 Submitters be provided with an opportunity to respond either through written submissions on the analysis or through evidence at the hearing; and

73.5 Commissioners take into consideration the policy options canvassed in the revised Section 32 analysis.

74 Fonterra submits that, given the current state of affairs, that the proposed approach will allow an opportunity to correct any deficiencies in the pre-notification Section 32 analysis, and will provide the Commissioners with the information needed to ensure that the most appropriate policy option is chosen.

75 Fonterra therefore requests that the Commissioners issue a direction to that end.

Barclay Rogers
2 July 2008

APPENDIX A: SECTION 32 REPORT: ONE PLAN, SECTION 7.6

7.6 Assessment of policies, rules and methods

7.6.1 Options available

The following options have been identified as being potentially appropriate for achieving the objective specified above.

Please note: The following options include reference to whether they are intended for addressing point source discharges, non-point source discharges or both.

Option 1 – Specify water quality values of specific surface water bodies to be managed and regulate

Horizons have a substantial historical record which helps to identify the values associated with the majority of the waterbodies in the Region. This option utilises that existing information and provides guidance to resource users and managers in applying those values. It recognises that the diversity of the waterbodies within the region is very wide. This option provides people with clear information about waterways and ensures a consistent management approach for specific waterbodies. The water quality values are derived from a large amount of background research and data, which is detailed in the supporting reports mentioned above.

Management of:	
Point source discharges	Yes
Non-point source discharges	Yes

Option 2 – Maintain or enhance water quality through rules

This approach uses the rules throughout the One Plan to maintain or enhance water quality. Plan rules can cover a range of activities and issues and many of these are interconnected. An example is rules controlling land use activities where the effects of those activities may have impacts on water quality. The approach of maintaining or enhancing water quality generally entails positive action by resource users to modify their activities to halt further water quality degradation or create improvements. Included in this options are specific controls on the discharge of human sewage. This is recognised as having potentially significant adverse effects both on the environment and on human health if not controlled directly.

Management of:	
Point source discharges	Yes
Non-point source discharges	Yes

Option 3 – Directly manage land use activities affecting water quality through controls on outputs

A number of land use activities have specific discharges associated with them. In most cases these discharges are a result of non-point source discharges and are difficult to monitor or attribute to specific actions. This approach recognises that particular land use activities will operate and cause discharges in relatively similar ways across the region and that the effects of those combined discharges can be assessed reasonably accurately through modelling techniques. Background reports show that intensive farming

activities are one of the primary contributors to non-point source discharges into water and can therefore be directly managed to reduce those effects. Taking account of the significant complexity of managing non-point source discharges using land use activities as the controlling factor, Horizons have develop a land user assistance tool to aid in the assessment and consenting of the targeted farming activities (see Appendix A for details of this approach).

Management of:	
Point source discharges	No
Non-point source discharges	Yes

Option 4 – Directly manage land use activities affecting water quality through controls on inputs

Similar approach to Option 3, this approach focuses on controlling the inputs to land use operations rather than the outputs. An example would be controlling the application rate of fertiliser with the assumption that managing what goes onto a farm can be used to control what is discharged. This approach is perhaps simpler to apply than option 3 in that many inputs into land use operations can be measured accurately. However this approach does not account for variances in land use techniques, soil type, climate difference, etc.

Management of:	
Point source discharges	No
Non-point source discharges	Yes

Option 5 – Directly manage point source discharges through regulation

Point source discharges are relatively simple to identify, manage and monitor in comparison to non-point source discharges. Direct discharges to land and water have significant potential to cause adverse water quality effects, primarily due to the volume and/or concentration of contaminants in the discharge. Regulating these discharges through resource consent processes provides Horizons with the ability to manage these discharges in relation to the water quality goals for the waterbody affected.

Management of:	
Point source discharges	Yes
Non-point source discharges	No

Option 6 – Provide advice and information to major abstractors and dischargers

Working closely with abstractors and dischargers assists them with understanding the values associated with the waterbodies they are potentially affecting and also helps to maximise the benefit those resource users receive from the environment. This option recognises that major abstractions and discharges have complex impacts on waterbodies and that people undertaking those activities need assistance in managing those effects.

Management of:	
Point source discharges	Yes
Non-point source discharges	No

Option 7 – Assistance with habitat and quality improvement
Previous activities have resulted in values of waterbodies being degraded. To remedy this situation, landowners and resource users can be provided with assistance to improve the values of those waterbodies. This can include the provision of information and practical advice on making improvements. Many waterbodies are within private property and individuals can be encouraged to enhance these waterbodies.

Management of:	
Point source discharges	No
Non-point source discharges	Yes

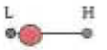
Option 8 – Provision of education and information
Educating people about the values associated with water bodies and how activities can be managed to minimise those impacts provides them with the tools to take action themselves. This option includes educating school students, as it is recognised that the information children pick up is often passed to parents and other family members. While education and information alone cannot provide a total solution, it does raise the public's awareness of the issues and encourages people to improve their activities and to observe the activities of others. This option also involves working with industry groups and particular sectors to educate and disseminate information on best practice techniques and current practice.

Management of:	
Point source discharges	Yes
Non-point source discharges	Yes

Option 9 – Research, monitoring and reporting
Maintaining and enhancing the data and information that Horizons has on the values of water bodies is important to ensure that policies and methods are successful. It also provides relevant and pertinent information to people to help them better manage their activities and the water bodies themselves.

Management of:	
Point source discharges	Yes
Non-point source discharges	Yes

Option 10 – Do nothing
The do nothing approach means not imposing any policy direction on achieving the objective, thereby relying on individual resource users to manage their activities. There is likely to be some indirect management of effects through the resource consent process associated with discharge consents, and where individuals recognise that their activities are affecting the values of the waterbodies.

		Option 1 - Manage specific values through regulation	Option 2 – Maintain or enhance water quality through rules	Option 3 – Directly manage land uses by controlling outputs	Option 4 – Directly control land uses by controlling inputs	Option 5 – Directly manage point sources through rules	Option 6 – Advice to major abstractors and dischargers	Option 7 – Assistance with habitat and quality improvement	Option 8 – Provision of education and information	Option 9 – Research, monitoring and reporting	Option 10 – Do nothing
Costs	Environment	• Focus on specifically identified values may limit management of other less-prominent values 	• Resistance to making improvements where the influence of changes by an individual are not visibly apparent. 	• Difficulty in determining actual discharges from land uses may result in some environmental effects not being controlled 	• Variations in land use systems may result in the same inputs having different effects on different sites. • Difficulty in determining relationship between inputs and outputs may result in some effects not being controlled 	• Nil 	• Conflict between use requirements and environmental values may limit uptake of advice. 	• Uptake is at landowner's expense so may be limited in scale or effectiveness. 	• Limited uptake may not result in wide-scale benefits. 	• Nil 	• Life-supporting capacity of waterbodies is likely to decrease. • Environment is likely to suffer as economic benefits take precedence. • Improvements to waterbodies would be limited. 
	Community	• Financial costs of specific management approaches. • Cost of resource consent application process. 	• Cost of complying with rules. 	• Requires time and cost inputs from land users. • Costs involved in maintaining tools for land users. 	• Requires time and cost inputs from land users. • Costs involved in maintaining tools for land users. • Degree of inequality as limited recognition of variations in management techniques. 	• Costs to dischargers to achieve compliance. 	• Financial costs of providing advice. • Uptake of advice may require capital improvements with resulting financial and time costs. 	• Costs to Council to provide the assistance. • Uptake of advice may require capital improvements with resulting financial and time costs. 	• Costs to Council to provide the education and information. 	• Cost of undertaking the research monitoring and reporting. • Possibility of resistance by consent holders to providing monitoring results where they consider changes may be imposed on their activities. 	• Doesn't provide certainty for resource users. • Reduced public use of waterways due to low water quality or uncertainty. • Potential public health effects. • No equity in resource availability or use. 
Benefits	Environment	• Key environmental values are clearly identified. • Management is responsive to actual values of waterbodies. • Life-supporting capacity is sustained. 	• Provides a scientifically derived benchmark for water quality. • Improves water quality in degraded areas. 	• Takes account of all contributions to non-point source discharges. • Secondary benefits for habitat enhancement and biodiversity as a result of mitigation measures. • Recognises variability throughout region. 	• Limits discharges in some situations. 	• Ensures effects on water quality are managed. • Improvements of existing poor-quality discharges can be improved as consents come up for renewal. 	• Uptake will result in improved environmental performance. • Greater recognition by resource users of environmental values. 	• Uptake will result in improved environmental values. • Secondary benefits through terrestrial habitat enhancement. 	• Even limited improvements in practices are likely to result in environmental improvements. • Passing on of information to others may improve practices of people not directly targeted. 	• Provides basis for accurate resource management. • Assists in identifying changes and trends that wouldn't otherwise be identified. • Supports rapid responses to new issues. 	• Some individuals and groups may make self-motivated improvements. 
	Community	• Waterbodies are sustained for the future. • Maintenance and improvement to community benefits of relevant waterbodies. • Certainty over expectations and desired outcomes. 	• Provides certainty. • Protects and enhances water quality for future generations. 	• Enables land users to respond to output requirements in an economically sustainable way. • Provides a level of certainty. • Allows land uses to adjust to their particular situation. 	• Provides a level of certainty. • Less time and cost by landowner necessary to determine requirements. 	• Provides certainty of outcomes. • Maintains or improves water quality, benefiting public health and availability of water as a resource. 	• Improvements to community-related values (swimming, fishing, etc) • Waterbodies more likely to be sustained for future generations. 	• Encourages landowner autonomy and encourages ethic of stewardship. • Improvements in community values of waterbodies (e.g. swimming, fishing). 	• Encourages ethic of stewardship. • Relatively low cost. • Improvements in community values of waterbodies (e.g. swimming, fishing). 	• Assists resource users in understanding and managing their activities. • Helps to protect public health through identification of water quality problems. 	• No costs associated with other options. • Benefits to some individuals as a result of maximising benefit of resources. 

7.6.2 Most appropriate for achieving the objectives

Taking into account the costs and benefits associated with the options identified, it is considered that options 1, 2, 3, 5, 6, 7, 8 and 9 are the most appropriate for achieving the objective. These options, used to varying degrees throughout the Region, are considered to be effective in managing water quality efficiently and effectively. The mix of regulation and non-regulatory methods is considered appropriate as it ensures that, where careful control is required the tools are available, and where there is a need for general education and changes in community approaches, softer methods are available.

Option 4 does not provide sufficient flexibility to respond to variabilities in land use practices and the risks to the environment and to the community are considered to be unacceptable. Option 10 is similarly a high-cost option that cannot be justified by the avoidance of the implementation costs of the other options.

7.6.3 Implementation of Options

The options assessed above have been included in the proposed One Plan in the following ways:

Option	Implementation in the One Plan
Option 1 - Manage specific values through regulation	**Policy** 6-2, 6-3, 6-4, 6-5, 6-6, 6-7, 6-8, 6-11 **Rules** Chapter 13
Option 2 – Maintain or enhance water quality through rules	**Policy** 6-2, 6-3, 6-4, 6-5, 6-6, 6-7, 6-8, 6-9, 6-10, 6-11 **Method** Sewage Treatment Plant Upgrades; **Method** Human Sewage Discharges to Water; **Method** Stormwater System Discharge Upgrades **Rules** Chapter 13
Option 3 – Directly manage land uses by controlling outputs	**Policy** 6-7 **Method** Water Quality Improvement **Rules** Chapter 13
Option 5 – Directly manage point sources through rules	**Policy** 6-3, 6-4, 6-5, 6-8, 6-9, 6-10, 6-11 **Method** Sewage Treatment Plant Upgrades; **Method** Human Sewage Discharges to Water; **Method** Stormwater System Discharge Upgrades **Rules** Chapter 13
Option 6 – Advice to major abstractors and dischargers	**Policy** 6-2, 6-3, 6-4, 6-5, 6-6, 6-7, 6-8, 6-8, 6-10 Water (Fluvial Resources, Quality and Quantity) Research, Monitoring and Reporting **Method** Sewage Treatment Plant Upgrades; **Method** Human Sewage Discharges to Water; **Method** Stormwater System Discharge Upgrades
Option 7 – Assistance with habitat and quality improvement	**Policy** 6-2, 6-3, 6-4, 6-5 **Method** Water (Fluvial Resources, Quality and Quantity) Research, Monitoring and Reporting **Method** Education in Schools – Water **Method** Water Quality Improvement **Method** Trout Spawning Habitat
Option 8 – Provision of education and information	**Policy** 6-2, 6-3, 6-4, 6-5 **Method** Water (Fluvial Resources, Quality and Quantity) Research, Monitoring and Reporting **Method** Education in Schools – Water **Method** On-site Wastewater System Forum **Method** Water Quality Improvement **Method** Trout Spawning Habitat **Method** Sewage Treatment Plant Upgrades; **Method** Human Sewage Discharges to Water; **Method** Stormwater System Discharge Upgrades
Option 9 – Research, monitoring and reporting	**Policy** 6-2, 6-3, 6-4, 6-5, 6-6, 6-7, 6-8, 6-8, 6-10 **Method** Water (Fluvial Resources, Quality and Quantity) Research, Monitoring and Reporting **Method** Education in Schools – Water

7.6.4 Risks of acting or not acting

Water is a resource of high value to both the community and the environment. As a consequence of this, there is a large body of supporting data and information to assist in managing the resource. While there are still some uncertainties due to the complexity of water systems and the relationships between water and the rest of the environment, there is some risk that the

provisions outlined above will be inadequate. However the risks to the environment and communities of not taking the action proposed is considered to be significantly greater.

7.7 Objective 6-3: Water Quantity and Allocation

Water is managed to enable people, industry and agriculture to take and use water to meet their reasonable needs while ensuring that:

(a) For surface water:

- (i) minimum flows and allocation regimes are set for the purpose of maintaining the existing life-supporting capacity of rivers and providing for other values of rivers as necessary
- (ii) in times of water shortage, takes are restricted to those that are essential to the health or safety of people, communities or stock, and other takes are ceased
- (iii) the amount of water taken from lakes does not compromise their existing life-supporting capacity
- (iv) the requirements of Water Conservation Orders and Local Water Conservation Notices are upheld,

(b) For groundwater:

- (i) takes do not cause a significant effect on the long-term groundwater yield
- (ii) groundwater takes that are hydrologically connected to rivers, lakes or wetlands are managed within the minimum flow and allocation regimes established for those waterbodies, or to protect their life-supporting capacity
- (iii) the effects of a groundwater take on other groundwater takes are managed
- (iv) saltwater intrusion into coastal aquifers, induced by groundwater takes, is avoided.

(c) In all cases, water is used efficiently.

7.7.1 The Extent to Which the Objective is the Most Appropriate Way to Achieve the Purpose of the Act

The following table identifies the components that combine to make up the purpose of the Act and describes the objectives appropriateness in achieving that purpose.

Components of sustainable management	Level of achievement
Enable people and communities to provide for their social, economic and cultural well being and health and safety.	This objective seeks to maintain surface waterbodies and groundwater so that there is a balance between the environmental values of the waterbodies and demand for water by people. The objective recognises and provides for use of water resources by people.
Sustain the potential of natural and physical resources to meet the needs of future generations.	This objective seeks to maintain the water resource so that it is available for use in the future.
Safeguard the life-supporting capacity of air, water, soil and ecosystems.	The objective specifically refers to safeguarding the life-supporting capacity of water. The minimum flow regime has been established for the purpose of maintaining the life-supporting capacity surface waterbodies.
Avoid, remedy or mitigate any adverse effects	Sustaining the life-supporting capacities of the

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Date of Hearing: 2 July 2008

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OPENING LEGAL SUBMISSIONS AND EVIDENCE BY FONTERRA CO-OPERATIVE GROUP LIMITED AT OVERALL PLAN HEARING

Tab	Description
1	Opening Legal Submissions on behalf of Fonterra Co-operative Group Limited
2	Statement of evidence of John Lewis Hutchings on behalf of Fonterra Co-operative Group Limited
3	Statement of evidence of Murray Hugh Holdaway on behalf of Fonterra Co-operative Group Limited
4	Statement of evidence of Thomas Brent Layton on behalf of Fonterra Co-operative Group Limited
5	Statement of evidence of Nathan Neill Baker on behalf of Fonterra Co-operative Group Limited