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**SUBMISSION ON PROPOSED PLAN CHANGE 2 TO THE
HORIZONS REGIONAL COUNCIL'S OPERATIVE ONE PLAN**

TO: Horizons Regional Council
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BY EMAIL: submissions@horizons.govt.nz

SUBMISSION TO: Proposed Plan Change 2 to Horizon's Operative One Plan

NAME OF SUBMITTER: Ballance Agri-Nutrients Limited

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This is a submission by Ballance Agri-Nutrients Limited¹ on Proposed Plan Change 2² to the Horizon's operative One Plan³.

Ballance cannot gain a trade competition advantage through this submission.

This submission is divided into two parts as follows:

- **Part A:**Introduces Ballance, its activities and shareholders; and
- **Part B:**Sets out the specific submissions and relief sought by Ballance.

Ballance seeks the relief set out in this submission, including such other additional, alternative or consequential relief as may be necessary to give effect to the changes sought.

¹ Hereafter referred to as 'Ballance'

² Hereafter referred to as 'PC2'

³ Hereafter referred to as 'One Plan'

Ballance wishes to be heard in support of this submission.

Signed for and on behalf of Ballance by



Dominic Adams
Environmental Manager
21st of October 2019

Part A: Ballance Agri-Nutrients Limited

Ballance Agri-Nutrients Limited is a farmer-owned co-operative with over 19,000 shareholders and approximately 800 staff throughout New Zealand. We own and operate 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. The Company also owns and operates the agricultural aviation company 'Super Air' and 'SealesWinslow' (a high-performance compound feed manufacturer). Ballance owns and operates five Service Centres which supply fertiliser to farms in the Horizons-Manawatu Region. In addition to manufacturing and sales Ballance provides farm sustainability services including nutrient management advice. We place a strong emphasis on delivering value to our shareholders and on the use of the best science to inform sustainable nutrient management.

Reinforcing this, Ballance has extensive interest in the development of tools to manage nutrient losses on farms. Ballance, with Ag Research, has undertaken extensive research into 'MitAgator' which is a GIS-based water quality decision support tool that links with OVERSEER® to refine the latter models output. The use of management tools such as MitAgator, provides greater insight into the spatial variability of nutrient (as well as sediment and microbial) loss within a farm landscape and allows users to identify critical source areas (or 'hot spots') for nitrogen, phosphorus, sediment and microbial loss across their own farm. Targeted application of mitigation and management strategies to these critical source areas help to provide more cost-effective environmental management solutions for farmers, while ensuring that effective water quality outcomes can be achieved in timeframes that recognise the socio-economic impacts of changing farm management practices.

In light of these matters, Ballance has a direct interest in PC2, which has an overall aim of protecting water quality by managing nutrient loss from existing intensive farming land uses. Ballance recognises that when excess nutrients make their way into surface and groundwater, they can boost algal growth and affect water quality and life supporting capacity of freshwater and aquatic environments and therefore supports the intention of the plan change. It is understood that the proposed plan change seeks to provide a workable framework for intensive land use - allowing a pathway for existing farmers and growers in target catchments to apply for resource consent, and for the Council to see greater progress towards environmental improvement, however Ballance do have a number of concerns. The Company's key concerns are summarised as follows:

- a. That a nationally-consistent definition of 'good management practice' be adopted in the One Plan;
- b. That criteria be established to ensure that the outputs produced by nutrient management models are consistent and comparable;
- c. That the cumulative nutrient leaching maximums in Table 14.2 be clearly benchmarked to Overseer version 6.3.1; and
- d. That the relevant version of Overseer, and its role in any 'inflation' of the cumulative nutrient leaching maximum calculation, be a matter for Council to take into account when considering resource consent applications for both existing and new intensive farming land use activities.

Part B of this submission addresses the proposed policies, rules and definitions that are relevant to the interests of Ballance.

The key for the Table that follows is:

Key

[^] = a term that is defined in the Resource Management Act 1991

* = a term that is defined in the glossary of the One Plan

~~Strikethrough~~ = text proposed to be deleted under Plan Change 2

Underline = text proposed to be added under Plan Change 2

~~Red strikethrough~~ = text proposed to be deleted by Ballance

Red underline = text proposed to be added by Ballance

Part B: Reasons for Submission and Relief Sought by Ballance Agri-Nutrients Limited to Proposed Plan Change 2 to the One Plan.

Submission points	Provision Number/s	Provision Title	Proposed Provisions / Proposed Amendments to Provisions	Oppose / support (in part or full)	Reasons	Relief Sought
POLICIES						
1.	5-8	Management and Regulation of intensive farming land ^a use activities affecting groundwater and surface water quality	<p>In order to give effect to Policy 5-7, the effects of intensive farming land^a use activities on groundwater and surface water^b quality must be managed in the following manner:</p> <p>(a) Nutrients</p> <p>(i) Nitrogen leaching maximums must be established in the regional plan which:</p> <ul style="list-style-type: none"> (A) take into account all the non-point sources of nitrogen in the catchment. (B) will achieve the strategies for surface-water^c quality set-out in Policies 5-2, 5-3, 5-4, and 5-5, and the strategy for groundwater quality in Policy 5-6 (C) recognise the productive capability of land^d in the Water Management Sub-zone^e (D) provide for appropriate timeframes for achievement where large changes to management practices or high levels of investment are required to achieve the nitrogen leaching maximums. <p>(ii) Existing intensive farming land^a use activities must be regulated in targeted Water Management Sub-zones^f to achieve the nitrogen leaching maximums specified in (i) except as provided for in (fia) and (fib) below.</p> <p>(fia) Existing intensive land^a use activities which do not comply with (ii) must be regulated to reduce nitrogen leaching which is in excess of the nitrogen leaching maximums established under (a), by implementing good management practice^g, and additional measures to minimise the degree of non-compliance, having regard to:</p> <ul style="list-style-type: none"> (A) the feasibility, practicality, and cost of achieving the nitrogen leaching maximums specified in (i); and (B) the strategy for surface water^c quality set-out in Policies 5-2, 5-3, 5-4 and 5-5, and the strategy for groundwater quality in Policy 5-6. <p>(fib) Existing land^a use activities which do not comply with (ii) but are intended to transition to an alternative non-intensive farming land^a use must be regulated to ensure that they are able to continue for a limited period of time in order to enable that transition and only where there is no increase in the exceedance of the nitrogen leaching maximums established under (a).</p> <p>(fib) New intensive farming land^a use activities must be regulated throughout the Region to achieve the nitrogen leaching maximums specified in (i).</p> <p>(b) Faecal contamination</p> <p>(i) Those persons carrying out existing intensive farming land^a use activities in the targeted Water Management Sub-zones^f listed in Table 14.1 or new conversions to intensive farming land^a use activities anywhere in the Region must be required, amongst other things, to:</p> <ul style="list-style-type: none"> (A) prevent cattle access to some surface water bodies^h and their 	Support	<p>Operative Policy 5-8 requires that the nitrogen leaching maximums that are to be established by the One Plan, should be able to be met on most farms where good management practice ('GMP') is adopted. At the same time, the word 'most' clearly signals that not all such activities will achieve this.</p> <p>Ballance understands that the premise of Plan Change 2 ('PC2') is therefore to:</p> <ol style="list-style-type: none"> 1. Update the cumulative nitrogen leaching maximums ('CNLM') in Table 14.2 to reflect improvements in Overseer; 2. Reinforce the use of GMP for intensive farming land use activities; and 3. Provide a consenting pathway for existing intensive farming land use activities that cannot achieve the CNLM. <p>The Section 32 report states that PC2 therefore proposes to provide for situations where existing intensive farming activities cannot achieve the nitrogen leaching maximumⁱ. Proposed subclause (fia) provides for such activities to be undertaken provided that they are managed to reduce nitrogen leaching over time, and implement GMP. Further, proposed subclause (fib) provides for circumstances where it is intended to transition such activities to a lower intensity land use. We consider these changes to be acceptable as they enable existing activities to transition over time, rather than being subject to an onerous step-change in nutrient management (or change in land use) that would otherwise be required.</p> <p>With regard to the proposed deletion of clause 5-8(a)(i)(B), Ballance notes that the Section 32 report states that this is considered to be "an appropriate rationales given nitrogen leaching maximums as a regulatory tool are not in and of themselves sufficient to achieve the strategies (instead all of the measures in Policy 5-8 contribute to achieving the strategies)", and that Policy 14-6 references the strategies more appropriately. In principle Ballance considers this is an appropriate change, because it recognises that there are other methods and actions which contribute to achievement of the policies.</p> <p>In turning to the proposed deletion of text from new clause 5-8(a)(i)(D), Ballance understands that this is intended to streamline that clause^j, and consider it to be an appropriate change that assists the understanding of that clause.</p> <p>Finally, it is also proposed to insert new clause (d) into Policy 5-8, to require that nutrients, faecal contamination and sediment be managed in accordance with GMP. Ballance considers that this is an appropriate change, which indicates the Plan's expectation for active management of intensive farming activities.</p> <p>Overall, Ballance considers the proposed changes to Policy 5-8 to be acceptable and do not seek any further changes to this provision.</p>	Retain changes to Policy 5-8 as notified

^a See p9, section 1.2, Section 32 Evaluation of Proposed Plan Change 2, July 2019.

^b See p51, section 9, Section 32 Evaluation of Proposed Plan Change 2, July 2019.

^c Ibid.

			<p>(B) mitigate faecal contamination of surface water⁷ from other entry points (eg, race run-off)</p> <p>(C) establish programmes for implementing any required changes.</p>	
		(c) Sediment	<p>(i) In those Water Management Sub-zones⁸ where agricultural land⁹ use activities are the predominant cause of elevated sediment levels in surface water¹⁰, the Regional Council will promote the preparation of voluntary management plans under the Council's Sustainable Land Use Initiative or Whanganui Catchment Strategy for the purpose of reducing the risk of accelerated erosion¹¹, as described in Chapter 4.</p>	
		(d) <u>Good management practices¹²</u>	<p>(i) All intensive farming land¹³ use activities must be regulated to manage nutrient leaching and run-off, faecal contamination, and sediment losses¹⁴, in accordance with good management practices¹⁵.</p>	<p>Support in part</p> <p>The Section 32 report states that the purpose of the proposed amendments to Policy 14-3 is to support the proposed new definition of 'good management practice' and provide greater guidance on what it involves¹⁶.</p> <p>Ballance notes that the proposed changes to Policy 14-3 clearly indicate a central role for GMP in resource consenting decision making. Ballance considers that this direction is appropriate (provided that the definition of GMP is acceptable - see discussion below), as it is a nationally consistent approach that allows innovation and the implementation of practical, farm-specific management practices.</p>
2.	14-3	Industry-based-standards Good management practices ¹⁷	<p>When making decisions on resource consent¹⁸, applications¹⁹ and setting consent conditions²⁰ for activities affecting groundwater and surface water²¹ quality, The Regional Council must have regard to good management practices²², with reference to an on-going industry-based standards²³ - including guidelines and codes of practice²⁴ - recognising that such industry-based standards generally represent current best practice²⁵ and may accept compliance with those standards as being adequate to avoid, remedy or mitigate adverse effects²⁶ to the extent that those standards²⁷ and management practices²⁸ address the matters in Policies 14-1, 14-2, 14-4, and 14-5 and 14-6.</p>	<p>Operative Policy 14-5 clearly sets an expectation that new intensive farming activities will not exceed the CHNM values specified in Table 14-2.</p> <p>It also clearly sets an expectation that existing intensive farming activities will not exceed the same values, unless provided for by Policy 14-6 (discussed below). Ballance considers that the proposed change to clause (d) of Policy 14-5 is a useful clarification of this.</p> <p>In reviewing the proposed amendments to Policy 14-5, Ballance considers that the change to clause (b) is a useful clarification of what qualifies as an existing intensive farming land use activity, albeit that the inclusion of a specific date would avoid doubt.</p> <p>Operative Policy 14-5 clearly sets an expectation that new intensive farming activities will not exceed the CHNM values specified in Table 14-2.</p> <p>Support</p>
3.	14-5	Management of intensive farming land ²⁹ uses	<p>In order to give effect to Policy 5-7 and Policy 5-8, intensive farming land³⁰ use activities affecting groundwater and surface water³¹ quality must be managed in the following manner:</p> <p>(a) The following land uses have been identified as intensive farming land³² uses:</p> <ul style="list-style-type: none"> (i) Dairy farming³³ (ii) Commercial vegetable growing³⁴ (iii) Cropping³⁵ (iv) Intensive sheep and beef³⁶ <p>(b) The intensive farming land³⁷ uses identified in (a) must be regulated where:</p> <ul style="list-style-type: none"> (i) They are existing (ie, established prior to the Plan having legal effect) intensive farming land³⁸ uses, in the targeted Water Management Sub-zones³⁹ identified in Table 14-11. (ii) They are new (ie, established after the Plan has legal effect) intensive farming land⁴⁰ uses, in all Water Management Sub-zones⁴¹ in the Region. <p>(c) Nitrogen leaching maximums have been established in Table 14-2.</p> <p>(d) Except as provided for in Policy 14-6(d), Existing intensive farming land⁴² uses regulated in accordance with (b)(i) must be managed to ensure that the leaching of nitrogen from those land⁴³ uses does not exceed the cumulative nitrogen leaching maximum⁴⁴ values for each year contained in Table 14-2, unless the circumstances in Policy 14-4 apply.</p> <p>(e) New intensive farming land⁴⁵ uses regulated in accordance with (b)(ii) must be managed to ensure that the leaching of nitrogen from those land⁴⁶ uses does not exceed the cumulative nitrogen leaching maximum⁴⁷ values for each year contained in Table 14-2.</p> <p>(f) Intensive farming land⁴⁸ uses regulated in accordance with (b) must exclude cattle from:</p> <ul style="list-style-type: none"> i. A wetland⁴⁹ or lake⁵⁰ that is a rare habitat⁵¹, threatened habitat⁵² or at- 	<p>Retain changes to Policy 14-5 as notified.</p>

⁷ See p51, section 9, Section 32 Evaluation of Proposed Plan Change 2, July 2019.

4.	14-6	Resource consent decision-making for intensive farming (<i>land</i>) uses	<p>When making decisions on <i>resource consent</i>⁶ applications, and setting <i>consent conditions</i>⁶, for intensive farming (<i>land</i>) uses the Regional Council must:</p> <p>(a) Ensure the nitrogen leaching from the <i>land</i>⁶ is managed in accordance with Policy 14-5.</p> <p>(b) Ensure implementation of <i>good management practices</i>⁶ to manage nutrient leaching and runoff, faecal contamination and sediment loss, as part of any intensive farming (<i>land</i>) use.</p> <p>An exception may be made to (a) for existing intensive farming (<i>land</i>) uses in the following circumstances:</p> <p>(i) where the existing intensive farming (<i>land</i>) use occurs on land that has 50% or higher of LUC Classes IV to VIII and has an average annual rainfall of <500 mm or greater⁷; or</p> <p>(ii) where the existing intensive farming (<i>land</i>) use cannot meet year-1 cumulative nitrogen leaching maximum⁸ in year-1—they shall be managed through conditions on their resource consent to ensure year-1 cumulative nitrogen leaching maximum⁸ are met within 4 years;</p> <p>Where an exception is made to the cumulative nitrogen leaching maximum⁸ the existing intensive farming (<i>land</i>) uses must be managed by consent conditions to ensure:</p> <p>• Good management practices to minimise the loss of nitrogen, phosphorus, faecal contamination and sediment are implemented;</p> <p>• Any losses of nitrogen which cannot be minimised, are remedied or mitigated, including by other works or environmental compensation. Mitigation works may include, but are not limited to, creation of wetland and riparian planted zones;</p> <p>(c) Ensure that cattle are excluded from surface water in accordance with Policy 14-5 (f) and (g) except where landscape or geographical constraints make stock exclusion impractical and the effects of cattle stock movements must be avoided, remedied or mitigated. In all cases any unavoidable losses of nitrogen, phosphorus, faecal contamination and sediment are remedied or mitigated by other works or environmental compensation. Mitigation works may include, but are not limited to, creation of wetland and riparian planted zones;</p> <p>(d) Provide for exceptions to (a) for existing intensive farming (<i>land</i>) uses that exceed the cumulative nitrogen leaching maximum⁸ where:</p> <p>(i) Good management practices are implemented in accordance with a nutrient management plan⁹, along with additional innovations and measures to further reduce nutrient leaching and runoff, faecal contamination and sediment losses from the <i>land</i>⁹ progressively over time; or</p> <p>(ii) The existing intensive farming (<i>land</i>) use is to continue for no longer than five years in order to enable the transition to an alternative non-intensive farming (<i>land</i>) use without an increase in nutrient leaching and runoff, faecal contamination and sediment losses from the <i>land</i>⁹ over that period of time.</p> <p>(e) When determining whether to enable an existing intensive farm land⁹ use to continue under (d)(i), have regard to:</p> <p>(i) Whether the proposed innovations and measures represent the best practicable option¹⁰ to minimise the nutrient leaching and runoff,</p>	<p>Retain Policy 14-6; and</p> <p>Add new clauses (g) and (h):</p> <p>(g) Provide for exceptions to (a) for new intensive farming (<i>land</i>) uses that exceed the cumulative nitrogen leaching maximum⁸ where:</p> <p>(i) Good management practices¹¹ are implemented in accordance with a nutrient management plan¹², along with additional innovations and measures to further reduce nutrient leaching and runoff, faecal contamination and sediment losses from the <i>land</i>¹² progressively over time;</p> <p>(h) When considering an application for resource consent under (g), have regard to:</p> <p>(i) The extent to which the non-compliance with the cumulative nitrogen leaching maximum¹³ specified in Table 14-2 is attributable to updates in versions of OVERSEER;</p> <p>Proposed clauses (e) and (f) support clause (d) by specifying the matters that Council must have regard to when considering applications for such activities. Ballance notes that, for the assessment of existing activities, proposed clause (e) is helpful because it requires decision-makers to recognise the variance that may result between versions of OVERSEER; and it recognises that there may be site- and catchment-specific characteristics and/or constraints.</p> <p>Balance considers that proposed clause (d) is less prescriptive/limited than the operative ‘exception’ clauses of Policy 14-6 (which are proposed to be deleted under PC2), and that clauses (e) and (f) are clear in the outcomes they seek. As such, Ballance considers this to be an appropriate outcome.</p> <p>Whilst the key focus of PC2 is to remove barriers for existing farming activities, subsequent versions of Overseer would also impact the assessment of resource consent applications for new activities. Balance understands that Plan Change 3 (‘PC3’) to the One Plan is presently being drafted¹⁴, and will focus on new intensive farming land uses. It could be assumed that PC3 will include provision for future versions of Overseer, however at the same time, Ballance considers that Policy 14-6 could be further improved by a new clause specifically enabling decision-makers to take subsequent Overseer versions or alternative nutrient calculation models into account, when assessing resource consent applications for new activities that exceed Table 14-2 (which have restricted discretionary activity status under operative Rule 14-3). As with proposed clause (d), the purpose of this would be to ensure such activities could be reasonably assessed following the release of new versions of Overseer. In Balance’s view, new clauses relating to new activities should require GMP to be implemented and a NMP to be prepared, and Council’s assessment should have particular regard to the extent to which the non-compliance is attributable to Overseer updates.</p>
				<p>⁶ Council’s website states that notification is anticipated before the end of 2019. http://www.horizons.govt.nz/publications-feedback/one-plan-reviews-changes</p>

	<p>faecal contamination and sediment losses from the <i>land</i>^c, having particular regard to:</p> <ul style="list-style-type: none"> (A) The extent of the exceedance of the cumulative nitrogen leaching maximum^a in Table 14.2; (B) The rate of reduction of nitrogen loss towards the cumulative nitrogen leaching maximum^a for any given year in Table 14.2; (C) Whether further reductions are currently possible for the intensive farming <i>land</i>^c use based on existing technologies; (D) The extent to which the non-compliance with the cumulative nitrogen leaching maximum^a specified in Table 14.2 is attributable to updates in versions of OVERSEER; (E) The nature and characteristics of the <i>land</i>^c, having regard to physical characteristics of the soil including in terms of attenuation capacity, climatic conditions, and topography of the property; (F) The contribution of the progressive reduction in nutrient leaching and run-off, faecal contamination and sediment losses from the <i>land</i>^c, over time, to the improvement of water^b quality within that Water Management Sub-zone; (G) The strategy for surface water^b quality set out in Policies 5.2, 5.3, 5.4 and 5.5, and the strategy for groundwater quality in Policy 5.6; <p>(f) When determining whether to enable the existing intensive farming <i>land</i>^c use to continue under (d)(ii), have regard to:</p> <ul style="list-style-type: none"> (i) Measures implemented in accordance with a nutrient management plan^a to ensure that nutrient leaching and run-off, faecal contamination and sediment losses from the <i>land</i>^c, do not increase over the duration of the resource consent^c; (ii) good management practices^a proposed to avoid, remedy or mitigate nutrient leaching and run-off, faecal contamination and sediment losses from the <i>land</i>^c; (iii) the nature, sequencing, measurability and enforceability of any steps proposed to transition out of the intensive farming <i>land</i>^c use by the expiry of the resource consent^c.
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Submission point/s	Provision Number/s	Provision Title	Proposed Provision/s	Oppose/ support (in part or full)	Reasons/ Comments	Relief Sought
METHODS						
5.	5.12	Provision of Information	<p>Description¹: Horizons will collate and publish information regarding Overseer version changes and the identification and evaluation of nutrient management models other than Overseer that may be more appropriate for calculation of off-farm nutrient losses.</p> <p>Who: Regional Council, rural sector groups, and nutrient management model providers.</p> <p>Links to Policy: This method implements Policy 5-8.</p> <p>Target:</p> <ul style="list-style-type: none"> Horizons will consider whether it needs to respond to changes in Overseer through a plan change process. A list of nutrient management models appropriate for use in intensive farming land is maintained on Horizons' website. 	<p>Support in part</p> <p>As noted in the Section 32 report, the operative One Plan does not presently have any mechanism for taking account of the effect of new versions of OVERSEER.</p> <p>Ballance considers that Method 5-13 will support the achievement of amended Policy 5-8, by ensuring that regionally reliable and consistent information is available for nutrient management calculations.</p> <p>Additionally, Ballance notes that Method 5-13 enables the use of alternative nutrient management models to Overseer (provided they are found to be appropriate for the purpose), and does not restrict users to a particular model version. In particular, Ballance understands this could enable more effective management of nutrient discharges from commercial vegetable growing operations, which the Section 32 report notes have historically had poor Overseer information because the horticulture industry has considered that Overseer is not fit for purpose, given that it does not accurately model leaching from commercial vegetable growing operations (does not model some vegetable crops; does not model cropping areas less than 1 hectare; does not accurately model multiple crops over an annual cycle).</p> <p>For these reasons Ballance considers that, in principle, Method 5-13 enables Council to recognise that science and technology are developing in this space, and provide for this in its resource management activities.</p> <p>Ballance acknowledges that Overseer is the predominant model in industry. At the same time, the Company considers that if provision is made (or an alternative(s), it would be good practice for the Council (via the One Plan) to specify the matters that alternative model(s) must address by extending Method 5-13. The purpose of this would be to ensure that the outputs across different models are comparable and thus support effective nutrient management within a catchment/WMSZ.</p>	<p>Retain Method 5-13 as notified; and Add a new bullet to Method 5-13:</p> <ul style="list-style-type: none"> The assessment criteria for nutrient management models appropriate for use in intensive farming are published on Horizons' website. 	

¹ See p22, section 4.4, Section 32 Evaluation of Proposed Plan Change 2, July 2019.

Submission point/s	Provision Number/s	Provision Title	Proposed Provision/s	Oppose/ support (in part or full)	Reasons/ Comments	Relief Sought																																			
RULES: It is noted that the Rules affected by PC2 are only those relating to activities within the specific Water Management Subzones listed in Table 14.1. Further, Rule 14-30 is a catch-all rule that specifies that any discharge of water or contaminants to land or water, that is not covered by other rules in the Plan, is a discretionary activity.																																									
6.	Table 14.2 <i>Cumulative nitrogen leaching maximum* by Land Use Capability Class*</i>	<i>Cumulative nitrogen leaching maximum* by Land Use Capability Class*</i>	<table border="1"> <thead> <tr> <th>Period (from the year that the rule has legal effect)</th> <th>LUC* I</th> <th>LUC* II</th> <th>LUC* III</th> <th>LUC* IV</th> <th>LUC* V</th> <th>LUC* VI</th> </tr> </thead> <tbody> <tr> <td>Year 1</td> <td>51.30</td> <td>45.22</td> <td>40.24</td> <td>29.18</td> <td>25.46</td> <td>24.45</td> </tr> <tr> <td>Year 5</td> <td>46.27</td> <td>42.25</td> <td>35.24</td> <td>26.16</td> <td>20.43</td> <td>16.40</td> </tr> <tr> <td>Year 10</td> <td>44.26</td> <td>37.22</td> <td>32.39</td> <td>23.44</td> <td>20.43</td> <td>16.40</td> </tr> <tr> <td>Year 20</td> <td>43.25</td> <td>35.24</td> <td>30.18</td> <td>21.43</td> <td>19.42</td> <td>16.40</td> </tr> </tbody> </table> <p>* The Plan has legal effect in the case of dairy farming* from 24 August 2010 and for commercial vegetable growing*, cropping* and intensive sheep and beef* it has legal effect from 9 May 2013.</p>	Period (from the year that the rule has legal effect)	LUC* I	LUC* II	LUC* III	LUC* IV	LUC* V	LUC* VI	Year 1	51.30	45.22	40.24	29.18	25.46	24.45	Year 5	46.27	42.25	35.24	26.16	20.43	16.40	Year 10	44.26	37.22	32.39	23.44	20.43	16.40	Year 20	43.25	35.24	30.18	21.43	19.42	16.40	Support in part	<p>Rationale for proposed changes</p> <p>Table 14.2 specifies a maximum cumulative nitrogen leaching limit, in kilograms per hectare per year, for each Land Use Capability Class. A higher nitrogen leaching limit is enabled on land with greater productive potential. These limits were set in 2007, using Overseer version 5.2.6. Since then, there have been at least eight updates to the model¹⁰. Put another way, the 2007 version underestimated the nitrogen leaching occurring from the land, and farm systems that could have met the Table 14.2 limits using Overseer version 5.2.6, cannot meet the limits using Overseer version 6.3.1. As noted in the Section 32 report, Table 14.2 now fails to give effect to Policy 5-8, being that nitrogen leaching maximums set in the Regional Plan must be achievable on most farms using good management practices.¹¹</p> <p>Balance notes that the limits in operative Table 14.2 are fixed and the One Plan does not specify a particular version of Overseer to be used for the CNLM calculation, therefore the current version at any point in time, is applicable.</p> <p>How the revised limits were derived</p> <p>To arrive at the revised limits, Hanley and Horne¹² undertook to:</p> <ol style="list-style-type: none"> 1) Determine the data for a base farm that would have been used in Overseer 5.2.6 to arrive at the operative Table 14.2 limits, for each LUC; and 2) Input the same base farm data into Overseer 6.3.1, to arrive at the proposed limits. <p>Impact of revised limits</p> <p>A desktop assessment of the potential environmental outcome of the proposed changes to Table 14.2, found that the difference in actual reductions achieved would not be significant, and would not increase the adverse effects on waterways¹³. Balance understands that this is because the change merely reflects the ‘inflation’ of Overseer calculations/outputs. But another way, the proposed limits, although higher, are not fundamentally more permissive.</p> <p>The Section 32 report notes that economic modelling of various farm systems has indicated that they would remain financially viable (were proposed changes to Table 14.2 implemented), although some may struggle to service high levels of debt or continue to run down nitrogen reserves in accordance with Table 14.2¹⁴.</p> <p>Future updates to Table 14.2</p> <p>The Section 32 report notes that the only method to re-calibrate Table 14.2 is via plan change, and that to more directly link the activity status to Overseer version changes may give rise to an unlawful ‘incorporation by reference issue’¹⁵. Balance notes that the approach in PC2 has increased potential over time for technical non-compliance, and proliferation in the number of intensive land use activities</p>	
Period (from the year that the rule has legal effect)	LUC* I	LUC* II	LUC* III	LUC* IV	LUC* V	LUC* VI																																			
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Year 20	43.25	35.24	30.18	21.43	19.42	16.40																																			

¹⁰ See p20, section 4, Section 32 Evaluation of Proposed Plan Change 2, July 2019.

¹¹ See p27, section 4.8, Section 32 Evaluation of Proposed Plan Change 2, July 2019.

¹² Hanly, J. and Horne, D. 2018: Sensitivity of values in Table 14-2 of the One Plan to a change in the version of Overseer Parts A-C, Fertiliser and Lime Research Centre, Massey University, July 2018.

¹³ Hanly, J. and Horne, D. 2018: Sensitivity of values in Table 14-2 of the One Plan to a change in the version of Overseer Parts A-C, Fertiliser and Lime Research Centre, Massey University, July 2018. NOTE: the Section 32 report incorrectly noted the difference as being -42 to 61%.

¹⁴ See p20, section 4.2, Section 32 Evaluation of Proposed Plan Change 2, July 2019.

¹⁵ See p24, Section 32 Evaluation of Proposed Plan Change 2, July 2019.

¹⁶ See p20, section 4.2, and p35, Section 32 Evaluation of Documents by Reference in Plans and Proposed Plans, of Schedule 1 to the RMA.

			<p>requiring resource consent. For these reasons the Company considers it is not a wholly satisfactory outcome. Nevertheless, Balance considers that the proposed changes to Policy 14-6 (including relief sought to the same) enable the relevant nutrient management calculation to be taken into account at the time the application is made.</p> <p>Balance notes that the section 32 report sets out seven options (A to G) that were considered. The changes in PC2 combine options C, D, F and G¹⁷. These focus on recalibration to the current version of Overseer; a new policy to allow decision makers to have regard to Overseer updates; and consent pathways for non-compliance with the CNLM limits, and ‘transitioning’ land use activities. Balance understands that this combination was selected to achieve the objectives of resolving the inquiry caused by Overseer updates, and providing a consent application pathway as soon as practicable. As such, Balance considers that there is an element of superficiality to the proposed changes. At the same time Balance acknowledges the limited scope of PC2 and more comprehensive review under the ‘Our Freshwater Futures’ programme, and limit comment to Table 14-2.</p> <p>Should proposed Table 14-2 be retained, Balance considers that an improvement would be to clearly reference Overseer version 6.3.1 in PC2. In combination with application of Policy 14-6, this would provide a clear reference point from which to calculate future ‘inflated’ CNLM values.</p>	
7.	Rule 14-1	Existing intensive farming <i>(land)</i> use activities	<p>Rule 14-1 Existing intensive farming <i>(land)</i> use activities</p> <p>Activity</p> <p>The use of <i>(land)</i> pursuant to s9(2) RMA for any of the following types of intensive farming:</p> <ul style="list-style-type: none"> (i) dairy farming* (ii) commercial vegetable growing* (iii) cropping* (iv) intensive sheep and beef farming* <p>that was existing in the Water Management Sub-zones⁵ listed in and from the dates specified in Table 14-1 and any of the following discharges⁶ pursuant to ss15(1) or 15(2A) RMA associated with that intensive farming:</p> <ul style="list-style-type: none"> (a) the discharge⁶ of fertiliser onto or into land⁷ (b) the discharge⁶ of contaminants⁸ onto or into land⁷ from: <ul style="list-style-type: none"> (i) the preparation, storage, use or transportation of stock feed on production land (ii) the use of a feedpad⁹ (c) the discharge⁶ of grade A biosolids¹⁰ or compost¹¹ onto or into production land⁷ (d) the discharge⁶ of poultry farm litter¹² onto or into production land⁷ (e) the discharge⁶ of farm animal effluent onto or into production land⁷ (or upon expiry or surrender of any existing consent for that discharge⁶) including: <ul style="list-style-type: none"> (i) effluent from dairy sheds and feedpads¹³ (ii) effluent received from piggeries (iii) sludge from farm effluent ponds (iv) poultry farm effluent and any ancillary discharge⁶ of contaminants⁸ into air pursuant to ss15(1) or 15(2A) RMA. <p>Where the existing intensive farming <i>(land)</i> use is located partly on land within one or more of the water management sub-zones⁵ listed in Table 14-1 and partly on other land, this rule only applies:</p> <ul style="list-style-type: none"> (a) if at least 20% of the existing intensive farming <i>(land)</i> use is located on land within the listed water management sub-zones⁵; and (b) to the portion of the existing intensive farming <i>(land)</i> use that is located within the listed water management sub-zones⁵. 	Classification

¹⁷ In summary, options A, B and E were ‘do nothing’; adopt a new nutrient allocation regime; and adopt a catchment-specific nutrient allocation regime.

Controlled	<p>Conditions/Standard/Terms</p> <p>(a) A nutrient management plan* must be prepared for the land*, and provided annually to the Regional Council.</p> <p>(b) The activity must be undertaken in accordance with the nutrient management plan* prepared under (a).</p> <p>(c) The nutrient management plan* prepared under (a) must demonstrate that the nitrogen leaching loss from the activity will not exceed the cumulative nitrogen leaching maximum* specified in Table 14.2.</p> <p>Cattle must be excluded from:</p> <p>(d) wetlands* and dikes* that are a rare habitat* or threatened habitat*, and the beds* of rivers* that are permanently flowing or have an active bed*</p> <p>(e) Rivers* that are permanently flowing or have an active bed* width greater than 1 m, that are crossed by cattle must be bridged or culverted, and the cattle must cross via that bridge or culvert, and run-off originating from the carriageway of the bridge or culvert must be discharged* onto or into land*.</p> <p>(f) The discharge* of fertiliser* onto or into land* and any ancillary discharge* of contaminants* into air must comply with the conditions* of Rule 14-5.</p> <p>(g) The discharge* of contaminants* onto or into land* from:</p> <p>(i) the preparation, storage, use, or transportation of stock feed on production land*, or</p> <p>(ii) the use of a feedpad*</p> <p>and any ancillary discharge* of contaminants* into air must comply with the conditions* of Rule 14-6.</p> <p>(h) The discharge* of grade A biosolids or compost* onto or into production land* and any ancillary discharge* of contaminants* into air must comply with the conditions* of Rule 14-7.</p> <p>(i) The discharge* of poultry farm litter* onto or into production land* and any ancillary discharge* of contaminants* into air must comply with the conditions* of Rule 14-9.</p> <p>(j) The discharge* of farm animal effluent* onto or into production land* including:</p> <p>(i) effluent from dairy sheds and feedpads*</p> <p>(ii) effluent received from piggeries</p> <p>(iii) sludge from farm effluent ponds</p> <p>(iv) poultry farm effluent</p> <p>and any ancillary discharge* of contaminants* into air must comply with the conditions*, standards and terms of Rule 14-11.</p> <p>Control/Discretion Non-Notification.</p> <p>Control is reserved over:</p> <p>(a) the implementation of the nutrient management plan*</p> <p>(b) emphasis-with-the-cumulative-nitrogen-leaching-maximum-specified-in Table 14-2: cumulative-nitrogen-leaching-practices* to avoid, remedy or mitigate nutrient leaching and run-off, faecal contamination and sediment losses from the land*</p> <p>(c) the matters of control in Rule 14-11</p> <p>(d) avoiding, remedying or mitigating the effects of odour, dust, fertiliser* drift, or effluent drift</p> <p>(e) provision of information including the nutrient management plan*</p> <p>(f) duration of consent</p> <p>(g) review of consent conditions*</p> <p>(h) compliance monitoring</p> <p>(i) the matters in Policies 14-5, 14-6 and 14-9.</p> <p>Resource consent*: applications under this rule* will not be notified and written approval of affected persons will not be required (notice of applications need not be served* on affected persons).</p>	11

<p>8.</p> <p>Rule 14-2</p> <p>Existing intensive farming land^a, use activities not complying with any of the conditions, standards and terms (a), (b) and (d) to (i) of Rule 14-1</p>	<p>Activity</p> <p>The use of land^a pursuant to s9(2) RMA for any of the following intensive farming:</p> <ul style="list-style-type: none"> (i) dairy farming* (ii) commercial vegetable growing* (iii) cropping* (iv) intensivesheepandbeeffarming* <p>that was existing in the Water Management Sub-zones* listed in and from the dates specified in Table 14-1, and any of the following discharges* pursuant to ss15(1) or 15(2A) RMA associated with intensive farming, that do not comply with one or more of the conditions*, standards and terms of Rule 14-1 (except for (c)):</p> <ul style="list-style-type: none"> (a) the discharge* of fertiliser onto or into land^a* (b) the discharge* of contaminants* onto or into land^a from <ul style="list-style-type: none"> (i) the preparation, storage, use or transportation of stock feed on production land^a, (ii) the use of a feedpad* (c) the discharge* of grade A biosolids* or compost* onto or into production land^a (d) the discharge* of poultry/farm litter* onto or into production land^a* (e) the discharge* of farm animal effluent* onto or into production land^a* (or upon expiry or surrender of any existing consent for that discharge*) including: <ul style="list-style-type: none"> (i) effluent from dairy sheds and feedpads* (ii) effluent received from pigeries (iii) sludge from farm effluent ponds (iv) poultry farm effluent any ancillary discharge* of contaminants* into air pursuant to ss15(1) or 15(2A) RMA. <p>Classification</p> <p>Restricted Discretionary</p> <p>Conditions/Standards/Terms</p> <p>[a] A nutrient management plan* must be prepared for the land^a, and provided annually to the Regional Council.</p> <p>[b] The activity must be undertaken in accordance with the nutrient management plan* prepared under (a).</p> <p>[c] The nutrient management plan* prepared under (a) must demonstrate that the nitrogen leaching loss from the activity will not exceed the cumulative nitrogen leaching maximum* for any year in Table 14-2.</p> <p>Control/Discretion/Non-Notification</p> <p>Discretion is restricted to:</p> <ul style="list-style-type: none"> [a] preparation of and compliance with a nutrient management plan* for the land^a the extent of non-compliance with the cumulative nitrogen-leaching maximum* specified in Table 14-2 [b] [e]-measures good management practices* to avoid, remedy or mitigate nutrient leaching and run-off, faecal contamination and sediment losses from the land^a [c] [e]-measures to exclude cattle from wetlands* and lakes* that are a rare habitat* or threatened habitat*, and rivers* that are permanently flowing or have an active bed* width greater than 1 m [d] [e] the bridging or culverting of rivers* that are permanently flowing or have an active bed* width greater than 1 m that are crossed by cattle [e] [f] the matters referred to in the conditions* of Rules 14-5, 14-6, 14-7, and 14-9 [g] [e] the matters referred to in the conditions* of Rule 14-11 and the matters of control in Rule 14-11 [h] avoiding, remedying or mitigating the effects of odour, dust, fertiliser* drift or effluent drift 	<p>Amend condition (a) as follows:</p> <p>(a) A nutrient management plan* must be prepared for the land^a every three years or following any significant farm system change, and provided annually to the Regional Council. NMP's must be reviewed annually to confirm ongoing appropriateness and where changes to the NMP are implemented, the Regional Council must be notified.</p>
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¹¹ See DFO, Section 32 Evaluation of Proposed Plan Change 2, July 2019. "It is estimated that about 57% of existing dairy farmers requiring resource consents in the upper Manawatu targeted Water Management Sub-zones will achieve Controlled Activity status under a recalibrated Table 14-2, cumulative nitrogen leaching maximum using good management practice." Conversely, this suggests that approximately half of the dairy farms in the upper Manawatu WMSZ will require resource consent as a discretionary activity under Rule 14-2A.

		<p>(b) provision of information including the annual nutrient management plan*</p> <p>(i) duration of consent</p> <p>(ii) review of consent conditions*</p> <p>(iii) compliance monitoring</p> <p>from the matters in Policy 14-9.</p>	
9.	<u>Rule 14-2A</u>	<p><u>Existing intensive farming</u> use activities not complying with conditions, term (c) of Rule 14-1 or Rule 14-2.</p> <p><u>Activity</u></p> <p>The use of land* pursuant to s9(2) RMA for any of the following intensive farming:</p> <p>(i) dairy farming*</p> <p>(ii) commercial vegetable growing*</p> <p>(iii) cropping*</p> <p>(iv) intensive sheep and beef farming*</p> <p>that was existing in the Water Management Sub-zones* listed in and from the dates specified in Table 14-1, and any of the following discharges* pursuant to ss 5(1) or 15(2A) RMA associated with intensive farms, that do not comply with conditions, standards and term (c) of Rule 14-1 or one or more of the conditions*, standards and terms of Rule 14-2:</p> <p>(i) the discharge* of fertiliser onto or into land*</p> <p>(ii) the discharge* of contaminants* onto or into land* from:</p> <p>(i) the preparation, storage, use or transportation of stock feed on production land*</p> <p>(ii) the use of feed pads*</p> <p>(iii) the discharge* of grade A0 biosolids* or compost* onto or into production land*</p> <p>(iv) the discharge* of poultry farm litter* onto or into production land*</p> <p>(v) the discharge* of farm animal effluent onto or into production land* (or upon expiry or surrender of any existing consent for that discharge*) including:</p> <p>(i) effluent from dairy sheds and feed pads*</p> <p>(ii) effluent received from pigeries</p> <p>(iii) sludge from farm effluent ponds</p> <p>(iv) poultry farm effluent* and any ancillary discharge* of contaminants* into air pursuant to ss 5(1) or 15(2A) RMA.</p>	<p>Support in principle</p> <p>Proposed Rule 14-2A is a new discretionary activity rule for existing intensive farming land use activities, within specific WMSZs, that cannot comply with the proposed CNLM limits in Table 14-2, or the conditions of Rule 14-2.</p> <p>As noted above, this extends the activity status cascade from Rule 14-1. The section 32 report states that discretionary activity status was considered to be more appropriate than restricted discretionary being the operative activity status, because it would "enable the full spectrum of matters to be taken into account, guided by the particular considerations set out in Policy 14-6".¹⁹</p> <p>Balancet notes that the application of Rule 14-2A would trigger assessment against Policies 5-8, 14-5 and 14-6 which, under PIC2, enable consideration of subsequent versions of Overseer and alternative nutrient models. Additionally, Policy 14-6(d)(i) directs that Council must make an exception from Policy 14-5 (i.e. compliance with Table 14-2) for activities that implement GaP and provide additional innovations and measures to reduce nutrient leaching and run-off, faecal contamination and sediment losses from the land, over time. Given this, Balancet therefore considers that Rule 14-2A provides an appropriate consenting pathway, allowing for the case-by-case assessment of activities that cannot meet the limits in Table 14-2 (due to either their management practices or updates to Overseer).</p> <p>Classification Discretionary</p>

¹⁹ See p52, Section 32 Evaluation of Proposed Plan Change 2, July 2019.

Submission point/s	Number/s	Term	Proposed Definition	Oppose/ support (in part or full)	Reasons/ Comments	Relief Sought
GLOSSARY						
10.	N/A	Good management practices	refers to evolving practical measures and methods, including those established in industry-based standards, which are used at a sector or community level to minimise the effects of discharges to land ^c and water ^c .	Support in part	Balance considers that in principle this definition seems agreeable. However, Balance notes that since the One Plan was made operative, the <i>Industry Agreed Good Management Practices relating to Water Quality (Matrix of Good Management, 2015)</i> have been published and that these have been adopted widely by industry. As such, Balance considers that a definition of GMP which references those practices set out in the <i>Industry Agreed Good Management Practices relating to Water Quality (Matrix of Good Management, 2015)</i> would be nationally consistent and therefore more appropriate.	Support using consistent terminology;
11.	N/A	Nutrient management plan	means a plan prepared annually in accordance with the Code of Practice for Nutrient Management (NZ Fertiliser Manufacturers' Research Association 2007) which records (including copies of the QMSEER® input and output files of a recognised nutrient management model used to prepare the plan) and takes into account all sources of nutrients for intensive farming and identifies all current and relevant nutrient management practices and mitigations, and which is prepared by a person who has both a Certificate-of-Completion-in Sustainable-Agriculture-and-a-Certificate-of-Completion-in-Advanced-Sustainable-Nutrient Management from Massey University.	Support in part	The definition of Nutrient Management Plan has been amended to enable use of any recognised nutrient management model. This includes, but is not limited to, Overseer. This is consistent with Method 5-13 and the general aim of PC2 to enable the One Plan to remain current with nutrient management practice. Balance therefore considers these changes to be appropriate in this case. Balance notes that the proposed definition would continue to rely on the Code of Practice ('Cop') for Nutrient Management 2007. However, Balance understands that the document has been replaced/superseded by the Code of Practice for Nutrient Management (Fertiliser Association of New Zealand 2013), as such, the Company considers that PC2 should include a change to reflect this update. (Consequential change: Rule 14-5, which applies to the discharge of fertiliser, also refers to the 2007 Cop. Balance also seek that this reference be updated for the same reasons.) Balance understands that the completion of accredited courses in Sustainable Nutrient Management is a requirement for the Nutrient Management Adviser Certification Programme. Courses are offered at both Intermediate and Advanced levels, are delivered by Massey University, and a Certificate of Completion is issued as qualification of satisfactory completion of each course. In light of this, Balance considers that the proposed change is a useful clarification that streamlines the definition wording.	Amend the definition of Nutrient Management Plan as follows: means a plan prepared annually in accordance with the Code of Practice for Nutrient Management (NZ Fertiliser Manufacturers' Research Association 2007 2013) which records (including copies of the QMSEER® input and output files of a recognised nutrient management model used to prepare the plan) and takes into account all sources of nutrients for intensive farming and identifies all current and relevant nutrient management practices and mitigations, and which is prepared by a person who has both a Certificate-of-Completion-in Sustainable-Nutrient-Management-and-Agriculture-and-a-Certificate-of-Completion-in-Advanced-Sustainable-Nutrient-Management from Massey University, is reviewed annually and updated following any significant change to farming system.



