

PROPOSED WAIKATO REGIONAL PLAN CHANGE 1 WAIKATO AND WAIPĀ RIVER CATCHMENTS



Submission form on publicly notified – Proposed
Waikato Regional Plan Change 1 – Waikato and
Waipā River Catchments.

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FORM 5 Clause 6 of First Schedule, Resource Management Act 1991

SubForm	PC12016	COVER SHEET	
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		Submission Number	
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SUBMISSIONS CAN BE

Mailed to	Chief Executive, 401 Grey Street, Private Bag 3038, Waikato Mail Centre, Hamilton 3240
Delivered to	Waikato Regional Council, 401 Grey Street, Hamilton East, Hamilton
Faxed to	(07) 859 0998 Please Note: if you fax your submission, please post or deliver a copy to one of the above addresses
Emailed to	healthydrivers@waikatoregion.govt.nz Please Note: Submissions received by email must contain full contact details.
Online at	www.waikatoregion.govt.nz/healthydrivers

We need to receive your submission by 5pm, 8 March 2017.

YOUR NAME AND CONTACT DETAILS

Full name: _____
 Full address: _____
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ADDRESS FOR SERVICE OF SUBMITTER

Full name: _____
 Address for service of person making submission: _____

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TRADE COMPETITION AND ADVERSE EFFECTS *(select appropriate)*

- I could / could not gain an advantage in trade competition through this submission.
- I am / am not directly affected by an effect of the subject matter of the submission that:
- adversely effects the environment, and
 - does not relate to the trade competition or the effects of trade competition.

Delete entire paragraph if you could not gain an advantage in trade competition through this submission.

THE SPECIFIC PROVISIONS OF PROPOSED PLAN CHANGE 1 THAT MY SUBMISSION RELATES TO

Please state the provision, map or page number e.g. Objective 4 or Rule 3.11.5.1 (Continue on separate sheet(s) if necessary).

I SUPPORT OR OPPOSE THE ABOVE PROVISION/S

(Select as appropriate and continue on separate sheet(s) if necessary).

- Support the above provisions
- Support the above provision with amendments
- Oppose the above provisions

MY SUBMISSION IS THAT

Tell us the reasons why you support or oppose or wish to have the specific provisions amended. (Please continue on separate sheet(s) if necessary).

I SEEK THE FOLLOWING DECISION BY COUNCIL

(Select as appropriate and continue on separate sheet(s) if necessary).

- Accept the above provision
- Accept the above provision with amendments as outlined
- Decline the above provision
- If not declined, then amend the above provision as outlined

PLEASE INDICATE BY TICKING THE RELEVANT BOX WHETHER YOU WISH TO BE HEARD IN SUPPORT OF YOUR SUBMISSION

- I wish to speak at the hearing in support of my submissions.
 I do not wish to speak at the hearing in support of my submissions.

JOINT SUBMISSIONS

- If others make a similar submission, please tick this box if you will consider presenting a joint case with them at the hearing.

IF YOU HAVE USED EXTRA SHEETS FOR THIS SUBMISSION PLEASE ATTACH THEM TO THIS FORM AND INDICATE BELOW

- Yes, I have attached extra sheets. No, I have not attached extra sheets.

SIGNATURE OF SUBMITTER

Signature:



Date:

Personal information is used for the administration of the submission process and will be made public. All information collected will be held by Waikato Regional Council, with submitters having the right to access and correct personal information.

PLEASE CHECK that you have provided all of the information requested and if you are having trouble filling out this form, phone Waikato Regional Council on 0800 800 401 for help.

SUBMISSION – WAIKATO REGIONAL PLAN CHANGE 1

To: Waikato Regional Council
Name of submitter: Strang and Strang Limited
Address of submitter: 1281 Horahora Rd, RD1, Putaruru 3481

1. This is a submission on the Proposed Waikato Regional Plan Change 1 – Waikato and Waipa River Catchments notified on 21 October 2016 (“PC1)
2. The submitter could not gain an advantage in trade competition through this submission pursuant to s308C of the Act.
3. This submission relates to the entire contents of PC1.
4. Introduction and Background

Strang and Strang Limited is a farming business owned by Richard and Sally Strang operating two farms, both located in the Waikato River Catchment adjacent to the top end of Lake Karapiro.

The main farm has a total area of 307 hectares and a productive area of 270 hectares. This farm has been in the ownership of Richard’s family since the 1940’s.

The majority of the productive area of the farm is Class 1s and 2s flats with a smaller area of Class 3s river flats separated by steep Class VIIe sidelings and small area of Class VI along an old water channel. The farm was farmed as a drystock farm by Richard’s father and grandfather running sheep and steers for fattening. For the past 15 years we have undertaken cropping on the Class 1 and 2 flats, generally maize but also in some years potatoes and onions. Over the winter season the cropping land is regressed and used for grazing of either lambs or heifers.

The remainder of the farm is farmed as drystock which tends to change from year to year depending on seasonal conditions and markets. This has included grazing heifers, cows, steers and horses, and cutting silage (grass and in the past Lucerne).

The second farm directly across the Waikato River and is almost 100% flat Class 1s land. The property has in the past been used for vegetable cropping, producing asparagus, potatoes and onions. Since purchase of the property we have farmed it on a similar regime as the Class 1 land on the home farm, growing maize silage in the summer followed by winter grazing of lambs.

Due to the nature of our farming operation PC1 as proposed will have a significant impact on our framing business:

- from a land value point of view, being a lower leaching land use located on land with the highest land use flexibility and
- from an operational perspective (running an operation that by its nature changes from season to season and year to year).

We support the goal of Plan Change 1 and the Vision and Strategy for the Waikato River. The home farm is bounded by the Little Waipa and Waikato Rivers. We regularly use both for recreation (fishing, swimming and water sports) and have observed changes in water quality over time. We understand the need for farmers to operate within constraints and to that end, all waterways on our farm are fully fenced with fencing commenced on the farm in the 1990’s. Over a number of years we have gradually

been planting riparian margins, largely in natives, both at our own cost and with support from the South Waikato Environment Initiative fund.

We have invested in precision cropping equipment to reduce the impacts of cultivation and now undertake strip cultivation only, with precision fertiliser application.

5. General relief sought:

We support the intent of Plan Change 1 to halt the decline in water quality in the Waikato and Waipa River catchment. We strongly oppose the overall approach of the plan change.

Plan Change 1 attempts to solve water quality problems by freezing land use as it is in 2016 through a combination of the land use change rule and Nitrogen Reference Points. We are very concerned as to what this will mean for the future of farming in the Waikato. Over three generations of farming on our property farm farming practices have changed markedly. The world changes, markets change, climate is predicted to change, and for farmers to survive we must be able to adapt and change also.

The combined effect of the rules is effectively a grand parented approach which allows the highest polluters to continue whilst those polluting less face the greatest constraints. Some of the greatest costs will be borne by the least intensive farming operations. By contrast the most intensive land use (intensive dairy and vegetable cropping operations) appear to face very little material requirement to improve other than the requirement to produce a farm environment plan. The approach will inevitably distort land values, increasing land values for those in intensive dairy or vegetable cropping and reducing land values for arable and dry stock farms, again rewarding the polluter.

The Plan Change signals a transition to a “land use suitability” approach in the future. We would support such an approach where like land is treated the same regardless of its current use. However signally further change in future just increases uncertainty. Those farmers who have already reduced their farming footprint have been severely disadvantaged under this Plan Change. This is the third time the Waikato Regional Council has proposed a grand parented approach following on from the Lake Taupo catchment variation and the water allocation variation. The message the Council is giving is that the more you use of a resource the more you will be allocated – use it or lose it. This must surely deter most high intensity farmers from improving voluntarily.

We are also concerned with the use of Overseer as a key method for allocating future property rights via the Nitrogen Reference Point. It is well understood that the output of Overseer varies significantly with each version, but also between different operators undertaking the analysis. This was borne out by our experience with two very experienced and qualified individuals separately undertaking an Overseer analysis on our farm and arriving at significantly different N leaching results, despite using the exact same input information. We have no understanding of the inner workings of Overseer but this was very concerning to us that allocation of property rights could be based on something that appears to be so uncertain, and that therefore could be gamed to overstate or understate leaching rates.

In summary our key issues associated with implementation of PC1 in its proposed form are:

- the Plan Change rewards polluters and penalises those who have contributed least to the problem
- the impacts on future land use options and therefore land value are significant, with again the highest polluters benefitting the most
- the goal of freezing land use will have a potentially massive impact on rural businesses in the longer term by restricting the ability to adapt and change
- the plan change fails to address the actual problem by requiring intensive land use to improve and actually deters improvement for fear of losing future property rights
- the key system for measuring N leaching (Overseer) is unreliable and open to gaming
- the proposed approach picks winners and is pitting sector against sector

6. The principal changes that the submitter seeks to the PC1 are:
 - a. Replace the proposed plan approach with clear, effective, best management practice based rules that apply to everyone fairly and equally – two farmers farming along side each other on similar land face the same rules.
 - b. If an allocation regime is to be adopted in future it should treat like land alike and be based on a consistent foundation such as Land Use Capability.
 - c. Remove the grand parented approach to allocating the right to discharge (allocation based on current pollution).
 - d. Remove the freeze on land use change.
 - e. Do not use Overseer as the tool for allocation of leaching rights.

7. The specific reasons and relief:

The specific sections of the plan that we support or oppose, and the reasons and relief sought are detailed in the attached table.
8. We wish to be heard in support of our submission.
9. If others make a similar submission, we will consider presenting a joint case with them at any hearing.



Richard Strang
Strang & Strang Ltd
Dated: 7 March 2017

Section Number	Support or Oppose	Submission	Decision Sought
3.11.3 Policy 2	Oppose in part	<p>We support the need for a tailored approach to managing diffuse discharges in the longer term via Farm Environment Plans (FEP's). However the Farm Environment Plan (FEP) approach has the potential to be a very time consuming and costly exercise. A better approach in the short term is to apply best management practice based rules that apply to all farming businesses immediately.</p> <p>We oppose clause (c) regarding establishment of Nitrogen Reference Points. In our view this approach is grand-parenting. Those polluting the most are rewarded with the greatest flexibility of land use (and therefore increased land value) while those who have contributed the least to the problem are most constrained and will lose land value. This is inequitable and creates entirely the wrong incentives to achieve water quality objectives – effectively landowners will be motivated to obtain the highest possible N leaching rates to preserve future land use options.</p> <p>We support clause (d) which appropriately requires that those contributing most pollutants are required to deliver the greatest improvement. This is in our view consistent with the purpose of the RMA.</p> <p>We support clause (e). Fencing stock out of waterways is one of the essential actions to achieve long term water quality objectives. The implementation of this and timing needs to reflect practical and economic constraints for extensive hill country, but as a long term goal stock exclusion is appropriate.</p>	<p>Either replace or supplement the tailored approach with sound sensible best management practices for all land use activities to be adopted within workable but prompt time frames.</p> <p>Delete clause (c) – Nitrogen Reference Point.</p> <p>Retain clause (d)</p>
3.11.3 Policy 6	Oppose	<p>The approach of restricting land use change is another form of grand parenting. This approach rewards those undertaking the most intensive land use practices that have contributed to water quality problem by giving them the greatest flexibility and land use options. Less intensive farmers such as drystock are penalised with fewer alternative options available to them.</p> <p>The policy and associated rules will undoubtedly immediately reduce land values for drystock and arable cropping land that has any alternative land use potential. Perversely it will almost certainly increase the value of land under vegetable cropping and intensive dairy by creating a monopoly situation where that is the only land now available in the region for that use.</p> <p>In the longer term the policy has the potential to have significant impacts for the rural economy by locking farmers into their land use as it was in 2016, restricting the ability to adapt to future changes in climate or market conditions.</p>	Delete Policy 6

3.11.1 Policy 7	Support in part	We support in principle the intent of Policy 7 signalling an intent to transition to a fairer means of allocation in the future based on the natural capital of the land. We are concerned that the policy has no weight given the current plan cannot dictate what future plan changes will contain. We are also concerned that the considerable uncertainty at signalling future allocation will deter farmers from improving through fear of losing future land use options and therefore land value. The fact that the Waikato Regional Council has a history of taking a grand parenting approach to resource allocation in previous plan changes (such as Lake Taupo and water allocation in the Waikato River) further cements this concern.	Retain Policy 7 but amend it to include a clearer transition toward a non-grand parented approach to allocation within the life of this plan change to create certainty for land users.
3.11.5.1 Permitted Activity Rule – Small and Low intensity farming activities	Support in part	The rule as worded appropriately permits those farming activities that are of a size or intensity that they have a low potential for discharge of contaminants. In our view making such activities permitted is appropriate, although noting that very few farms in the catchment will be able to comply with the stocking rate requirement.	Retain rule 3.11.5.1 or amalgamate with Rule 3.11.5.2
3.11.5.2 Permitted Activity Rule – other farming activities	Support in part	The rule as worded appropriately permits those farming activities that are of a size or intensity that they have a low potential for discharge of contaminants.	Retain rule 3.11.5.2 but include region wide best management practice based rules to be followed on all rural properties, including those under 20ha.
3.11.5.3 Permitted Activity Rule – Farming activities with a Farm Environment Plan under a Certified Industry Scheme	Oppose	<p>We are concerned that there are no specific requirements for improvement for farms operating under an industry scheme, other than those with N leaching above the 75th percentile by 2026. We are also concerned how this would work in practice if the scheme is to be run by a farmer owned organisation such as Fonterra that has a conflict of interest.</p> <p>We believe a better approach is to use a best management practice approach with permitted activity conditions to be followed by all farmers equally and fairly, regardless of current land use or farming practices.</p> <p>Farmers unable to meet the BMP's (therefore having a higher level of potential effect) would then need consent to allow a property specific consideration of the mitigation options. In our view this approach is simpler, fairer and less costly to run.</p>	Replace rule 3.11.5.3 with a BMP approach with permitted activity conditions above which a consent would be required.
3.11.5.4 Controlled Activity Rules –	Oppose	We opposes rule 3.11.5.4 for a number of reasons. While we understand the intent of the rule (to introduce FEP's managed in a staged fashion and managed by consent) the rule is very confusingly laid out, in particular the layers of implementation dates mixed in with permitted	Redraft the rules so that farming activities are permitted subject to application of proven practical

<p>farming with a Farm Environment Plan not under a Certified Industry Scheme.</p>		<p>activity conditions and matters for control. This is in a large part due to the need to stage implementation of the rules due to the very bureaucratic system that has been developed relying almost solely on individual FEP's. In our view the application of a set of practical, proven BMP's that are required to be applied on all properties within a given timeframe would ensure earlier adoption of good practice and would be considerably simpler to administer and enforce. That way the bulk of the funding would be spent on actual measures to improve water quality, rather than the army of staff and consultants required to administer the FEP approach.</p> <p>FEP's will be useful to help farmers improve over time so could be retained, but shouldn't be the sole basis for improvement.</p> <p><u>NRPs</u></p> <p>We are strongly opposed to the introduction of Nitrogen Reference Points (NRP's) being used as a basis for setting discharge limits. This is clearly a form of 'grand-parenting'. Those polluting the most are rewarded with the greatest flexibility of land use (and therefore increased land value) while those who have contributed the least to the problem are most constrained and will lose land value.</p> <p>This is unfair and creates entirely the wrong incentives to achieve water quality objectives. Landowners will be motivated to retain their N leaching rates as high as possible in order to retain future land-use options.</p> <p>When combined with the land use change rule (rule 7) the NRP creates a situation that only those polluting excessively will have the opportunity to change land use (by taking advantage of the head room created by their poor practice) which is again unfair.</p> <p>To compound the problems the short comings of Overseer as a tool for allocating between properties and land use is now well understood. The results for the same property can vary widely between different people undertaking the Overseer inputs. It is quite possible that just through an understanding of how Overseer works properties will be able to generate an inflated NRP and then show an improvement through creative accounting. It is also well accepted that Overseer is not suitable for comparing leaching between different land uses and different soils. While there is a place for Overseer as a tool for farmers to evaluate and select different management options within their own property (the purpose it was designed for) it seems unacceptable to use it as the basis for allocation and future land use, given its short comings.</p>	<p>best management practices that are known to improve water quality.</p> <p>Incorporate the minimum standards in the FEP into the rules, including the information requirements contained in the FEP.</p> <p>Remove the reliance on NRPs and Overseer as a method for assessing compliance.</p>
<p>3.11.5.5 Controlled Activity Rule –</p>	<p>Oppose</p>	<p>The current rule for vegetable production appears to set a quota on vegetable production to be allocated to the existing growers. This is anti-competitive effectively creating a monopoly right to those parties currently growing vegetables in the Waikato.</p>	<p>Replace the rule with a best management practice approach.</p>

existing commercial vegetable production		<p>It is unclear in the rule who the right to grow vegetables sits with for leased land, the land owner or the lessee. If the right sits with the land (as it appears) then the ten year averaging is going to result in a very fragmented allocation of rights all over the Waikato. In our case both farms have been used to grow potatoes and onions for periods during the ten years, which will result in a small allocations running with our land.</p> <p>With the increase in housing demand a lot of the best cropping land is now going under houses. To meet future vegetable demand is inevitably going to require vegetable production to shift to other suitable land in the region. This rule effectively prevents that.</p>	
3.11.5.6 Restricted Discretionary Rule – the use of land for farming activities	Oppose in part	For the reasons stated in other submissions the overall approach of the rules set is opposed, and therefore this rule is opposed.	Make such amendments to the matters for control as appropriate to ensure that a best management practice approach is applied to applicants for resource consent.
3.11.5.7 Non-complying Activity Rule – Land Use Change	Oppose	<p>The approach of restricting land use change is effectively ‘grand parenting’. The policy means that dry stock and arable farms are penalised by having no alternative land uses available, while the most intensive land users that have contributed most to the problem will have the greatest flexibility and options.</p> <p>The policy and associated rules will reduce land values for all land under drystock and cropping that has alternative land use potential. Perversely it will almost certainly increase the land value of land under vegetable cropping and intensive dairy by creating a monopoly situation where that is the only land now available in the region for this use.</p> <p>This must surely deter land use change to lower leaching landuses as landowners will be motivated to stay in the highest polluting land uses to retain future options, and therefore land value.</p> <p>When combined with the NRP approach the rule creates a situation whereby only those polluting excessively will have the opportunity to change land use. This has been demonstrated by a consent already issued by Waikato Regional Council for conversion of a drystock farm to dairy by a neighbouring dairy farmer who purchased the property. As it was reported, the dairy farmer was able to undertake the conversion by making improvements on their existing farm, effectively creating head room from their higher than necessary leaching levels. The original owner of the drystock farm would have been unable to convert the property. The approach is completely inequitable, not effects based and effectively creates winners and losers based on current polluting behaviour.</p>	Delete rule 3.11.5.7 and replace it with robust best management practice based rules that apply fairly to all farmers, regardless of their current land use practices.

		<p>The rule is also a blunt tool which makes some arbitrary restrictions between cropping of plants with very similar characteristics. For example a change from growing maize to growing sweetcorn is now a non-complying activity despite being of the same plant species.</p> <p>The rule seeks to lock rural land use in the Waikato as it was in 2016 which cannot be a tenable solution for the long term given the need for rural businesses to adapt to changes in market preferences, climate change and other challenges.</p>	
Schedule B	Oppose	<p>We are opposed to the use of Nitrogen Reference Points and repeat our submissions on rule 3.11.5.4. The NRP should not be used as a means of allocation, until such time that better tools are available to accurately measure the NRP and a fairer means of allocation has been developed.</p>	<p>Delete the Schedule and reference to NRP's, or amend the approach such that NRP's are used as an information gathering tool only.</p>
Schedule C	Support in part	<p>We support in principle the intent to undertake stock exclusion for all stock other than sheep, throughout the region. Our farm already meets the rules.</p> <p>However the Schedule is in our view overly complicated by the staging. For example our farm is part within a priority 1 catchment and part within a priority 3 catchment which creates different time frames for fencing which is a nonsense. Our key concern with the rule is the implications for large extensive dry stock farms who will potentially face financially crippling costs to fence extensive steep waterways.</p>	<p>Amend and simplify the rules to require fencing of stock in a short time frame for easy country, but develop practical time frames and in some instances potentially exemptions for steep extensive hill country where compliance with the rule will be financially prohibitive and in some instances impractical.</p>
Schedule 1	Oppose	<p>As stated in our submission to rule 3.11.5.4 we are opposed to the use of FEP's as the sole basis for achieving improvement in contaminant losses from farming. The schedule also appears to ignore key activities that are known to directly correlate to high leaching rates, such as excessively high stocking rates.</p>	<p>Replace reliance on FEP's with a best management practice approach to be implemented immediately.</p> <p>If FEP's are to be retained, expand Schedule 1 to include specific and straight forward actions that are known to be viable and reduce contaminant loss.</p>
Schedule 2	Oppose	<p>The adoption of an approach based on the application of minimum standards and best management practices would remove the need for certified industry schemes.</p>	<p>Delete Schedule 2</p>
Part C Definition of		<p>The definition of Arable Cropping, when combined with the definition of Commercial Vegetable Production and rule 3.11.5.7 is a very arbitrary means of allocating future rights.</p>	<p>Remove the arbitrary delineation between different forms of</p>

‘Arable Cropping’		<p>Some of the plants listed as ‘vegetables’ are also fed to stock which creates a situation where a farmer growing the plant such as swedes or turnips for stock is allocated significantly less future land use rights than a farmer growing the same species for human consumption.</p> <p>Under the rules and definitions changes between varieties of the same species (such as maize to sweetcorn) is not a non-complying activity.</p>	<p>cropping that in reality have very similar effects. The definitions would become unnecessary if the land use change rule is deleted and replaced with region wide best management practice based rules as proposed.</p>
Definition of Commercial Vegetable Production		<p>The same submission as for the definition of Arable Cropping applies.</p>	<p>The same decision is sought as for Arable Cropping.</p>