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8 March 2017

Chief Executive  
401 Grey Street  
Private Bag 3038  
Waikato Mail Centre  
Hamilton 3240

Dear Vaughan

**RE: Submission on Proposed Waikato Regional Plan Change I- Waikato and Waipa River Catchments (PCI)**

Waikato District Council (WDC) appreciates the opportunity of being involved in the preparation of PCI as part of the collaborative process, and submitting on the proposed plan change. Please find attached a signed hard copy of the WDC submission, where this was submitted electronically on 7 March 2017.

It is recognised that this process has been challenging to date for Waikato Regional Council (WRC), where WDC staff are committed to assisting WRC where possible, from this point forward. Regional Council Officers are welcome to contact WDC in respect to clarifying any points within our submission, where Stephen Howard, Snr Water Planner, can be contacted in the first instance on 824 8633 ext 5668.

Yours faithfully



Allan Sanson  
**MAYOR**

# Proposed Waikato Regional Plan Change 1 – Waikato and Waipa River Catchments.

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

SubForm	PC12016	COVER SHEET	
<b>FOR OFFICE USE ONLY</b>			
		Submission Number	
Entered		Initials	
File Ref		Sheet 1 of	

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

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 <i>Please Note: if you fax your submission, please post or deliver a copy to one of the above addresses</i>
Emailed to	<a href="mailto:healthyrivers@waikatoregion.govt.nz">healthyrivers@waikatoregion.govt.nz</a> <i>Please Note: Submissions received my email must contain full contact details. We also request you send us a signed original by post or courier.</i>
Online at	<a href="http://www.waikatoregion.govt.nz/healthyrivers">www.waikatoregion.govt.nz/healthyrivers</a>
We need to receive your submission by 5pm, 8 March 2017.	

YOUR NAME AND CONTACT DETAILS		
Full name: <b>Waikato District Council (WDC)</b>		
Full address: <b>15 Galileo Street, Ngaruawahia 3720, Private Bag 544</b>		
Email <b><a href="mailto:Stephen.Howard@waidc.govt.nz">Stephen.Howard@waidc.govt.nz</a></b>	Phone <b>07 824 8633</b>	Fax <b>07 824 8091</b>

ADDRESS FOR SERVICE OF SUBMITTER		
Full name <b>Waikato District Council (WDC);</b>		
Address for service of person making submission <b>Private Bag 544, Ngaruawahia 3720</b>		
Email <b><a href="mailto:Stephen.Howard@waidc.govt.nz">Stephen.Howard@waidc.govt.nz</a></b>	Phone <b>07 824 8633</b>	Fax <b>07 824 8091</b>

TRADE COMPETITION AND ADVERSE EFFECTS <small>(RISK OF ADVERSE EFFECTS)</small>
<input type="checkbox"/> I could / <input checked="" type="checkbox"/> I could not gain an advantage in trade competition through this submission.
<input type="checkbox"/> I am / <input type="checkbox"/> am not directly affected by an effect of the subject matter of the submission that (a) adversely affects the environment, and (b) does not relate to the trade competition or the effects of trade competition. <del>Delete entire paragraph if you could not gain an advantage in trade competition through this submission.</del>

**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)*

**Please see additional attached sheets**

**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

**Please see additional attached sheets for detail.**

**MY SUBMISSION IS THAT**

*Tell us the reason why you support or oppose or the nature of your submission and any other relevant information*

*(Please continue on separate sheet(s) if necessary)*

**Please see additional attached sheets**

**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 below
- Decline the above provision
- If not declined, then amend the above provision as outlined below

**Please see additional attached sheets**

**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**

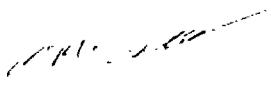
Yes, I have attached extra sheets.

~~No, I have not attached extra sheets.~~

**SIGNATURE OF SUBMITTER**

*(or person authorised to sign on behalf of submitter)*

*A signature is not required if you make your submission by electronic means.*

Signature: 	Date: <b>7 March 2017</b>
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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 ON PUBLICLY NOTIFIED PROPOSED WAIKATO REGIONAL PLAN  
CHANGE 1 – WAIKATO AND WAIPA RIVER  
CLAUSE 6 OF FIRST SCHEDULE, RESOURCE MANAGEMENT ACT 1991**

Additional sheets to Form 5: Waikato District Council Submission  
Dated: 7 March 2017

**This submission is:**

Written on behalf of the Waikato District Council (WDC). WDC supports the Te Ture Whaimana o te Awa oi Waikato or the Vision and Strategy as set out Waikato –Waipa River Legislation. The overarching purpose of the strategy is to restore and protect the health and wellbeing of the river for future generations. WDC has concern regarding the potential adverse economic and social costs to communities of the Waikato District, as a result of implementing the proposed Plan Change 1 (PC1 or PC) and subsequent Healthy Rivers plan changes. This view is reinforced after additional Councillor engagement with the community during the public notification period, and through Council workshops held. It is recognised that:

- outcomes of river legislation *must* be worked toward and achieved, therefore inter-generational change in the way land is managed, and the type of activities that are to be undertaken is required;
- challenges and complexity exist for WRC in respect to preparing planning provisions that achieve merits required by legislation, balanced against cost effectiveness and fairness to affected land owners and managers.

In broad summary, whilst WDC agrees on guiding principles and the endpoint aims of the Healthy River plan changes, it is questioned whether proposed provisions are realistic and achievable. The following submission seeks to improve on these as it is essential that they are affordable for the community, should WRC still proceed with PC1 notwithstanding WDC's overarching concerns regarding potential adverse effects. Alternative methodology is therefore proposed within the WDC submission.

PC1 represents the first of several stages to restore and protect the health and wellbeing of the Waikato and Waipa Rivers. Local government was represented within the Collaborative Stakeholders Group (CSG), where WDC appreciates the collaborative approach taken by Waikato Regional Council (WRC) in plan preparation. The CSG drafted and recommended PC policy after intensively considering substantial technical and policy information, as well as views from each sector. As extensive CSG and WRC resources have already focused on establishing the most appropriate '*environmental vs social and economic cost*' balance presented within proposed PC1, it was of paramount importance to WDC that any submission made was informed by expert opinion. This would enable a proactive approach to developing PC1 provisions further with WRC, to achieve desired outcomes satisfactory to all. WDC therefore engaged the Institute for Business Research (IBR) - The University of Waikato, to undertake PC analysis and provide recommendations to inform WDC's submission. This has resulted in a WDC submission that:

- considers the impacts on Waikato rural land owners, managers and communities to fund the final outcomes sought by Healthy Rivers plan changes, as an advocate the wider community of the Waikato District, including urban residents;
- focuses on specific plan change provisions where it is believed most cost efficient improvements can occur with no decrease in the positive environmental outcomes sought, and;
- endorses alternative methodology within relief that can result in the plan change outcomes being met at a more socially acceptable price.

**Partial plan withdrawal complexity**

The partial withdrawal of the plan change within the eastern Waikato section, in order to undertake consultation with Hauraki Iwi has added confusion to the process. This is in respect to an overall integrated plan change, and any additional submission periods to consider future amendments. Given the magnitude of the plan change, the preference of WDC is the re-notification of the full plan change upon completion of consultation. It is requested as an alternative, that an extensive period for further submission or a variation to the plan change is provided, to allow consideration of any further plan change amendments.

**To summarise**

It is the intention of WDC to continue to work with likeminded submitters and WRC through the plan change process with assistance from our economic advisors, with a view of achieving plan change outcomes more affordably. The following submission also provides:

- higher level support for provisions, where they support the relief sought, and;
- provides specific comment in respect to point source provisions, given WDC's role as an asset manager of essential services that hold point source discharge consent.

**SCHEDULES AND RULES**

1) ISSUE: The extent of fencing requirements as relevant to Rules 2,3,4 and 6			
Provision	Position	Relief sought	Reason for position
Schedule C	Support with amendments	<p>Amend Schedule C, with the following, or similarly intended wording.</p> <p>Exclusions: The following situations are excluded from clauses 1 and 2 (III) where the stocking rate is low (less than 18 SU per ha) and:</p> <ul style="list-style-type: none"> <li>- <u>the costs of exclusion are high, and;</u></li> <li>- <u>other mitigation actions are taken, as approved by a Certified Farm Environment Planner</u></li> </ul>	<p>WDC considers the principles of Schedule C, being stock exclusion from water bodies in most circumstances, is an appropriate strategy to address the issue. It is also helpful to define the location of fences relative to waterbodies as required by the schedule.</p> <p>The proposed rule requiring 100% stock exclusion, however, at the extreme end of exclusion is very costly and environmental gain will be insignificant. Stock exclusion rules are likely to cost significantly more than farm business can justify for many dry stock farmers.</p> <p>WDC relief seeks a more subtle policy, which would substantially reduce economic harm without adversely affecting the environmental aspirations of the plan change. This includes alternative mitigation actions that farmers could take to reduce emissions (i.e. such as offset mitigation within the property). These alternatives could be defined as part of the farm environmental plan.</p>

2) ISSUE: Land use Change Rule			
Provision	Position	Relief sought	Reason for position
Rule 7	Support with amendments	<p>Amend provisions with options below (or similar).</p> <p><u>is a permitted activity where</u></p> <ul style="list-style-type: none"> <li>a) <u>an environmental farm plan is in place, and amendments are undertaken to the plan to encompass the changes in landuse by a Certified Farm Environment Planner;</u></li> <li>b) <u>WRC are notified 30 days prior to the land use change being initiated.</u></li> </ul> <p><u>Or otherwise is a restricted discretionary non-complying activity (requiring resource consent)</u></p>	<p>The concept of the rule, which is the recording of changes in land use, and not changing land use in ways that can increase emissions, can be supported. It is however considered that the same result of avoiding increases in contaminants will already be achieved through other rules addressing nitrogen emission, fencing and farm environment plan preparation and adherence (Rules 2-5)</p> <p>Setting a perceived suspension of changes in land use activities for the first 10 years of the plan change is not considered cost effective. Rural farming practices are dependent on having flexibility available (i.e. the movement of pasture land to arable crop production, and then back to pasture again).WDC consider an improved landuse change rule could:</p> <ul style="list-style-type: none"> <li>- focus on emissions (or their impacts) and not on a particular activity, and;</li> <li>- provide a permitted pathway when land use change is to occur. This would avoid unnecessary consenting costs and uncertainty, given that no environmental benefit will be achieved by obtaining consent.</li> </ul> <p>The relief sought is considered to include necessary steps to confirm that a landuse change will not increase contaminant levels. Given that the rule has immediate effect, the restricted discretionary status would largely apply until all required farm environment plans are completed. A reduced tier of activity status (i.e. Restricted Discretionary) is sought as it is unclear why the proposed rule has such severe activity status (i.e. non-complying activities should not be granted except in exceptional circumstances). Discretion should be restricted to establishing that contaminants will not exceed existing levels.</p>

3) ISSUE: Grand-parenting of nitrogen rights/accuracy of reporting, as relevant to Rules 2-5			
Provision	Position	Relief sought	Reason for position
<p>Schedule B (b);</p> <p>Schedule 1</p>	<p>Support concept with amendments</p>	<p>Review and amend all relevant plan change provisions to ensure:</p> <ul style="list-style-type: none"> <li>- Schedule B is explicit about how the Nitrogen Reference Point (NRP) is to be used in rules applying for the first decade (PC1), and how it could be applied in future decades (additional Healthy River plan changes);</li> <li>- the introduction of Nitrogen Emission Constraint (NEC) methodology as part of future plan changes at least, and;</li> <li>- provide greater clarity and alignment between statements concerning NRP in the rules and Schedule 1. The reason for this is the expectation is that NRP will increase in importance through time under Healthy Rivers plan changes (i.e. further reductions required), therefore it is important to get clarity now.</li> </ul>	<p>Reasons for the determination of a property scale Nitrogen Reference Point (NRP) within PC1 are:</p> <ul style="list-style-type: none"> <li>- to collect information on the amount of nitrogen currently being discharged from each property;</li> <li>- establishment of higher users (75th percentile nitrogen leaching value per FMU), with reduction of levels required by applicable parties within the PC1 10 year-life (2026);</li> <li>- to ensure no property exceeds the NRP;</li> </ul> <p>With proposed provisions, the NRP will therefore be used in two different ways. These will be (i) as a measure of historical performance and (ii) a limit on future behaviour.</p> <p>WDC can support reduction of nitrogen levels as part of PC1 for the higher end dischargers, however consider that with the NRP set at an individual property level, disparity can occur, such as;</p> <ul style="list-style-type: none"> <li>- one farm maintains a grand-parented right to emit higher levels of contamination than other farms within the same sub-catchment, or;</li> <li>- a farm which may in recent history might have had less nitrogen application, with potential for a higher level of stock (with a view increasing N in later years), will be locked into the lower NRP which may adversely affect the businesses future profitability.</li> </ul> <p>While the concept and potential of determining nitrogen by way of Schedule B is also supported, WDC considers amendments should occur to the schedule, in order to avoid legitimising any unfair allocation that could also result in inefficient emission reduction practices, and clarifying NRP use within the plan change. Using the NRP as the baseline for setting the individual emission targets has the potential for inefficiency in that it is based on historical actions, rather than the most effective way to reduce emissions. It is considered that the NRP produced by Schedule B, should be used to determine adjustments required to:</p> <ul style="list-style-type: none"> <li>- achieve an environmental goal based on targeted emission levels for the sub catchment and the least cost ways of achieving the sub-catchment target.</li> </ul> <p>This could be established by way of a Nitrogen Emission Constraint (NEC), which could be set for sub-catchments, and then applied to individual properties. The individual properties would then comply with the sub-catchment constraint and required reductions under Healthy River plan changes.</p> <p>The allocation of the emission rights could be allocated by co-operative decision by landowners in the sub-catchment or by the Regional Council specifying a <b>common per/ha emission constraint for all farms in the sub-catchment</b>. Advantages of the NEC methodology is;</p> <ul style="list-style-type: none"> <li>- that it would facilitate larger reductions of nitrogen emissions at the same cost to the community (i.e. through more efficient nitrogen reduction ability),and;</li> <li>- it would remove the inequities associated with some land owners having greater emission rights, than other land owners in similar situations.</li> </ul> <p>If this approach is considered acceptable, an NEC could either be established as part of PC1 pertaining to the first 10 years or alternatively it could be introduced at the start of the second 10 year period. WDC requests to be proactively involved in the development of any new provisions to be developed in accordance with relief sought.</p>

<p><b>Schedule B (c)</b></p>	<p>Support with amendments</p>	<p>Amend Schedule B(c), with the following, or wording with a similar intention.</p> <p>The Nitrogen Reference Point must be calculated using the current version of the OVERSEER Model (or any other model approved by the Chief Executive of the Waikato Regional Council). <u>OVERSEER results can be adjusted where there are scientific reasons to believe the model is over or underestimating nitrogen emissions.</u></p>	<p>Reasons for relief sought are that the measure of historical performance should be calculated as accurately as possible. Problems of model inaccuracy are essential for both fairness and cost efficiency. The OVERSEER approach is an estimation method. Using estimates is cost effective and works in the majority of situations therefore the concept of provisions can be supported. In some situations however, the model will underestimate or overestimate emission due to model limitations.</p> <p>The reason for this is the OVERSEER methodology however is not yet 100% fit for purpose. This is particularly true for commercial vegetable production, where use of the model involves a significant step change from pasture to arable cropping systems.</p> <p>Ensuring the ability for review of results and professional interpretation within provisions is seen as critical improvement to the proposed Schedule B. The WDC relief seeks that where land owners and managers have reason to believe the estimates are inaccurate, they should have an option to:</p> <ul style="list-style-type: none"> <li>- be able to present scientific evidence and reasoning to gain a different estimate than that provided by the OVERSEER model.</li> </ul>
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<p><b>4) ISSUE: Cropping provisions</b></p>		
<p><b>Provision</b></p>	<p><b>Position</b></p>	<p><b>Comment</b></p>
<p>Rule 5, Schedule 2</p>	<p>Neutral</p>	<p>Commercial vegetable production uses significant volumes of fertiliser, and on average uses higher levels of fertiliser than pasture farming. Commercial vegetable production also yields greater economic returns per hectare, so it is helpful to have rules that address specific challenges of this activity. There appears to be different views within the community as to what the specified requirements mean in practice, and further conversations between producers, regulators and scientists is considered necessary to clarify the intent, process and effectiveness of any provisions. Additional comments are:</p> <ul style="list-style-type: none"> <li>- the same level of history of public information about the environmental performance of commercial vegetable production is not available in contrast to other rural activities;</li> <li>- PC1 introduces new requirements through provisions, where it is considered that a lack of clear expectation exists for land managers as to what this means in practice for farm operations;</li> <li>- the appropriateness of the requirements would be better understood if there was greater explanation supported by evidence;</li> <li>- greater industry engagement is considered necessary for successful outcomes in this space;</li> <li>- requirements for the farm environmental plans could be refined in consultation with industry participants. This is particularly important for vegetable growing minimum standards.</li> </ul> <p>WDC would support any review of provisions in conjunction with industry. Should this be intended by WRC, WDC requests to be proactively involved in the development of any new provisions.</p>

**POLICIES**

<b>5) POINT SOURCE</b>			
<b>Provision</b>	<b>Position</b>	<b>Relief sought</b>	<b>Reason for position</b>
Policy 10-13	Support	Retain existing, or any similar provisions.	<p>In summary, provisions:</p> <ul style="list-style-type: none"> <li>• clarify that consented point source activities can continue for the duration of consent;</li> <li>• provide for 'regionally significant infrastructure';</li> <li>• recognise the lower contamination magnitude that consented point source discharges contribute given past investment, and;</li> <li>• provide specify mitigation options at the time of renewal (increased duration/offset and adoption of Best Practical Option (BPO))</li> </ul> <p>Provisions are intended to allow strategic long term wastewater planning by asset managers, such as local government. It is anticipated that any future required infrastructure upgrades can be fairly balanced alongside strategies to ensure practical affordability of the treatment system using options provided within provisions. Allowing for increased consent length assists in economically justifying high plant investment costs already incurred, alongside additional future mitigation costs anticipated under Healthy Rivers plan changes.</p> <p>WDC can lend support to provisions that allow mitigation options at the time of consenting, that provide the most environmental benefit at an acceptable financial cost to the communities served. BPO can allow a balance between affordability and the higher standard of mitigation required under Healthy Rivers plan changes.</p> <p>BPO differs between locations and the applicant seeking renewal of resource consent. It is therefore considered by the submitter, that no benchmarks or precedents for point source mitigation can be set in respect to a point source consent applicants selected BPO. The reason for this position is that affordability (i.e. practicality) will not be consistent between applicants.</p>