

4 May 2020

Otago Regional Council
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Sent by email: policy@orc.govt.nz

SUBJECT: Submission on proposed Water Permits Plan Change (Plan Change 7)

Ballance Agri-Nutrients Limited would like to thank Otago Regional Council for the opportunity to make this submission on the proposed Water Permits Plan Change (Plan Change 7).

Our detailed submission is attached.



Dominic Adams

Environmental Manager



Submission on:
**Otago Regional Council proposed Water Permits Plan
Change (plan Change 7)**
from
Ballance Agri-Nutrients Limited

Contact information

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We wish to be heard in support of this submission.
If others made a similar submission, we will consider presenting a joint case with them at a hearing.

Trade competitor's declaration

I could not gain an advantage in trade competition from this submission.
I am not directly affected by an effect of the plan change that (a) Adversely affects the environment;
and (b) Does not relate to trade competition or the effects of trade competition.

Commercial Sensitivity

Nothing in this submission is confidential.

1 Company Overview

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 two Service Centres which supply fertiliser to farms in Otago. In addition to manufacturing and sales, Ballance also has a dedicated Farm Sustainability Services Team, whose remit includes helping farmers develop sustainable nutrient management plans, ensuring efficient performance from the land, whilst leaving it in good condition for future generations. This team also help farmers meet their compliance requirements with changing regulations.

Ballance are the major sponsor of the Farm Environmental Awards, which are designed to promote role models of sustainable farming. The four categories the contestants are judged against include: sustainable profitability, environmental awareness, good business practices and social/community awareness.

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.

2 Submission

While the proposed plan change does not directly affect our operations, it will have an impact on farmers in Otago Region. We support the intent of the proposed plan change, to provide a bridge between the conversion of deemed water permits and the implementation of the new Land and Water Regional Plan due to be operative by December 2025. However, we are of the opinion that in order to achieve the water quality improvements required to accomplish the desired outcomes, a collaborative approach is required between all stakeholders. We have highlighted key issues below and make recommendations for revision of the proposal to help achieve desired outcomes which benefit both the Regional Council and landowners.

Rule 10A.3.1 Controlled Activity:

10A.3.1.1 states that for a controlled activity where irrigation is used, the area of land under irrigation must not exceed the area irrigated in the 2017-2018 irrigation season. The focus on area of land under irrigation doesn't take into account landowners who have developed their land since that season. There have been some significant infrastructure changes in recent years since that time with conversions from old boarder dyke flood irrigation systems to drip irrigation for example which is more water efficient. This has enabled some landowners to expand, or plan to expand, their irrigation area without requiring more water. Such long-term changes on-farm requires significant investment and there is a concern that the proposed policy will not recognise the efforts of these landowners and result in restricting their ability to operate and recover their investment, while landowners who have not improved their systems

to date will essentially be rewarded. This policy will also negatively affect landowners who have invested in stock water infrastructure, connecting their farms to reticulated water supply.

Rule 10A.3.2 Non-complying activity:

Having not previously required consent for such operations, it is not clear to landowners what will be required of them, what steps, information or costs are involved in relation to this.

Water Volume

Water volume restrictions for all types of consent are to be based on volumes utilised over the reference period 2012-2017. We are concerned that this could create a grandparenting effect which would potentially penalise landowners who have made improvements on farm (e.g. water-use reductions due to investment in improved water efficiency etc) and may restrict future development opportunities, while rewarding landowners who have not reduced water usage. We are also concerned that this will potentially reduce opportunities and incentives for landowners to improve the efficiency of their current irrigation systems which require investment based on long-term confidence in water availability. With the proposed new Land and Water Regional Plan due in 2025 there are further changes in water take consents anticipated together with the associated uncertainty for future allocation.

Monitoring

It is noted that the requirements for utilising reference years such as the 2012-2017 period, depends on the availability of accurate monitoring records. It is recognised that while on-farm record-keeping is generally improving around the country, a number of landowners may not have full records for this particular period.

Recommendations

As this plan change represent an interim regulatory instrument, we would recommend that a 'hold the line' policy is used. We suggest that opportunities for water allocation improvements needs to strike a balance between environmental change and maintaining the socio-economic foundations of the Region while also recognising and rewarding landowners who have been or are already implementing more water efficient systems on farm.

As the introduction of consented activities is new to many landowners, they are not aware of the process for consenting including information and record keeping requirements, as well as associated costs. We would recommend that Otago Regional Council works with landowners to communicate the requirements and gain feedback on barriers and concerns so that a fair and equitable solution can be identified. Some barriers are anticipated to include available records for the identified reference periods and clarification for requirements for past and ongoing monitoring.