

# ORC Omnibus Plan Change - Plan Change 8

**Submission Reference no:** 81

**Dairy Holdings Limited (DHL) (Ben Williams)**

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New Zealand

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**Submitter Type:** Not specified

**Source:** Email

**Overall Notes:**

**Clause**

Are you a trade competitor?

**Position**

I am a person who would not gain an advantage in trade competition through this submission

**Notes**

**Clause**

What are you submitting on? You can submit on specific parts of Plan Change 8 or the whole plan change.

**Position**

I am submitting on specific parts of the plan change (please detail below).

**Notes**

**Clause**

What is your view on the Plan Change 8 or the specific parts listed above? Please select one, if you have multiple views state clearly in the notes box below.

**Notes**

see submission

**Clause**

What decision would you like the Environment Court to make?

**Notes**

see submission

**Clause**

Do you wish to be heard in support of your submission? All submissions will be considered by the Environment Court. Please indicate if you wish to be heard in support of your submission.

**Position**

I wish to be heard in support of my submission

**Notes**

**Clause**

Please indicate your choice(s) below. If you do not indicate your intention to call experts, you can change your mind later and decide to call experts to give evidence in relation to your submission, provided you do so in time to meet any procedural direction the Environment Court might make.

**Position**

If others make a similar submission I/we would consider presenting a joint case with them at a hearing

**Notes**

**Clause**

Authority to act:

**Position**

I confirm I have the authority to sign this submission on behalf of the submitter

**Notes**



**From:** Ben Williams <Ben.Williams@chapmantripp.com>  
**Sent:** Monday, 17 August 2020 4:42 pm  
**To:** ORCplanchanges  
**Cc:** policy@orc.govt.nz  
**Subject:** CHCDOC01-#1558552-v1-DHL\_PC8\_-\_submission  
**Attachments:** CHCDOC01-#1558552-v1-DHL\_PC8\_-\_submission.pdf

Hi there,

Please find attached a submission from Dairy Holdings Limited in relation to Plan Change 8 of the Regional Plan: Water for Otago

Kind regards,  
Ben

**BEN WILLIAMS**  
**PARTNER**

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**SUBMISSION ON PUBLICLY NOTIFIED PROPOSAL FOR POLICY STATEMENT OR  
PLAN, CHANGE OR VARIATION**

*Clause 6 of Schedule 1, Resource Management Act 1991*

**To** Environmental Protection Authority  
[ORCplanchanges@epa.govt.nz](mailto:ORCplanchanges@epa.govt.nz).

**CC** Otago Regional Council  
[policy@orc.govt.nz](mailto:policy@orc.govt.nz)

Name of submitter: Dairy Holdings Limited (*DHL*)

- 1 This is a submission on:
  - 1.1 Proposed Plan Change 8 (*PC8*) to the Regional Plan: Water for Otago (*Regional Plan*).
- 2 DHL's submissions and sought relief are split between a brief discussion of DHL and its interests in the Otago Region in **Annexure 1** and its specific submissions in **Annexure 2**.
- 3 DHL wishes to be heard in support of the submission.
- 4 DHL cannot gain advance through trade competition through this submission.
- 5 If others are making a similar submission, DHL will consider presenting a joint case with them at the hearing.

**Signed** for and on behalf of Dairy Holdings Limited by its solicitors and authorised agents  
Chapman Tripp



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Ben Williams  
Partner

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## **Annexure 1**

### **Background to DHL**

- 1 DHL is a New Zealand registered company with 100% of its farming assets in the South Island of New Zealand.
- 2 DHL is currently operating 59 dairy farms and milking 50,000 cows to produce around 17 million kilograms of milk solids (for the 2018/19 season).
- 3 In addition, DHL owns or leases 15 self-contained support farms that provide around 10,000 in-calf heifer replacements each year and provide wintering support operations. A bull unit supplies around 1,200 service bulls to the dairy farms.
- 4 It is the largest closely-held dairy farming business in the country.
- 5 DHL's farms are principally located in the Canterbury, Springs Junction (West Coast), Waitaki, and South Otago/Southland regions.
- 6 The 'DHL farm system' is based on research conducted through Ruakura and more recently the Lincoln University Dairy Farm that provides a focus on sustainable pasture based operations. In this regard, the company is focused on a relatively low input system that has:
  - 6.1 a reduced reliance on supplementary feed being brought on to farm;
  - 6.2 centralised wintering of non-lactating cows and replacement young stock raising;
  - 6.3 careful nutrient budgeting and fertiliser applications that are aimed at producing maximum and sustainable pastures (with minimum fertiliser being 'lost' in the system); and
  - 6.4 lower stocking rates (on a per hectare basis) but a higher comparable stocking rate (in terms of the stocking rate relative to the feed available) than those which might typically be seen on other farms.
- 7 DHL considers that a simple pasture based dairy system is ultimately the best in terms of recognising both the international competitive position of the New Zealand dairy industry (where seasonal calving has been successfully adopted to closely match milk production throughout the season with pasture growth) and environmental sustainability.
- 8 In recent years DHL has put considerable effort into getting Farm Environment Plans in place on all dairy farms and ensuring effluent systems (for example) are operating at good management practice. In the large part many of the matters required by PC8 are matters that DHL is already doing.

### **Relevance of PC8**

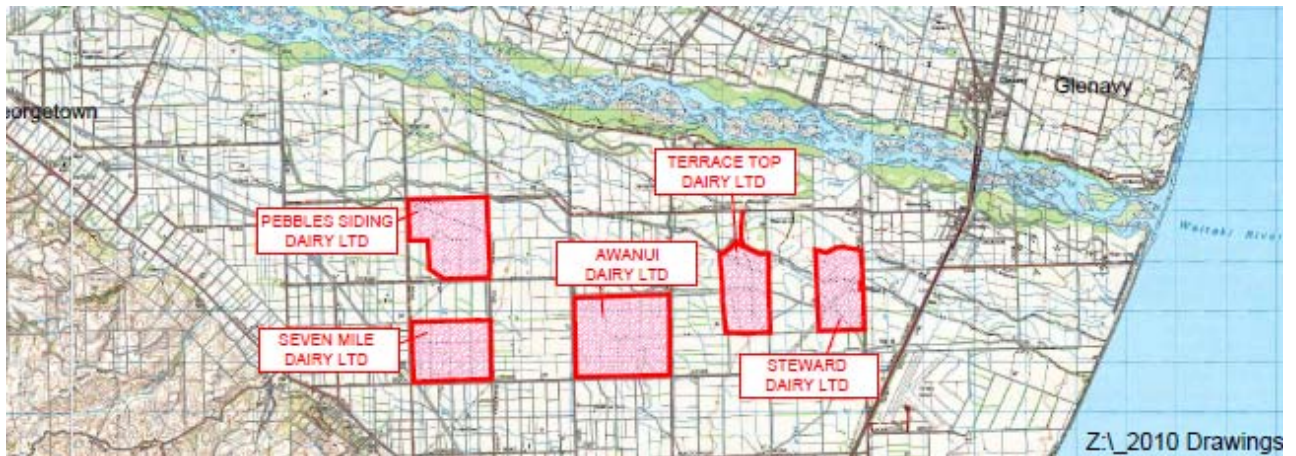
- 9 DHL has extensive farming interests in the Otago Region including:

#### ***North Otago (Waitaki) (Figure 1)***

- 9.1 Terrace Top Dairy Limited;
- 9.2 Steward Dairy Limited;
- 9.3 Awanui Dairy Limited;

- 9.4 Peebles Siding Dairy Limited; and
- 9.5 Seven Mile Dairy Limited.

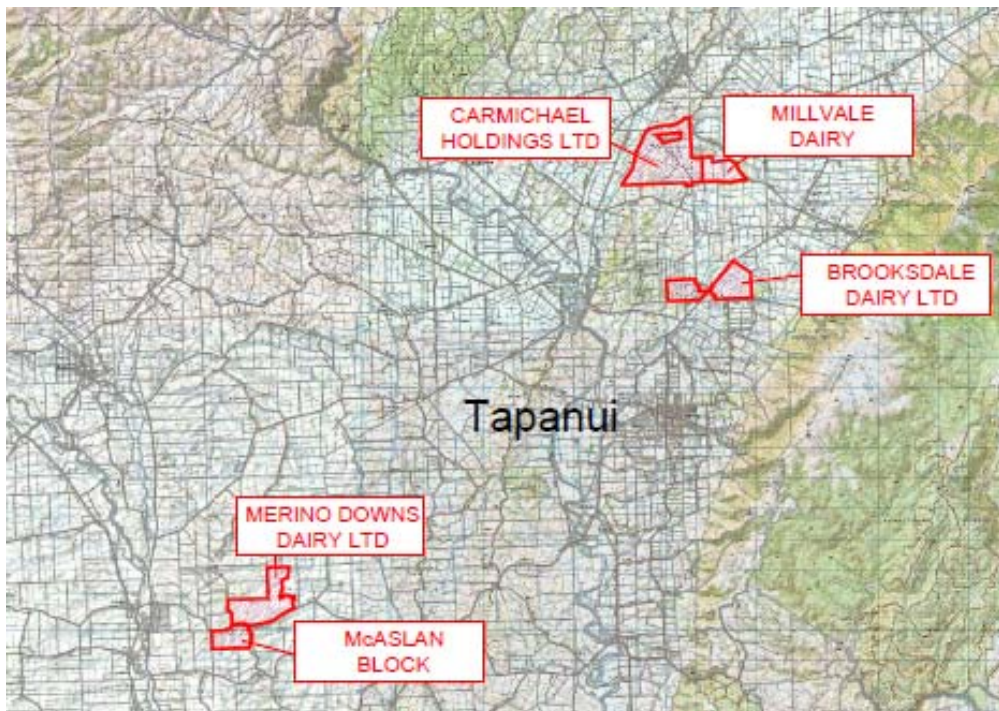
**Figure 1: North Otago farms**



**South Otago (Clutha) (Figure 2)**

- 9.6 Carmichael Holdings Limited;
- 9.7 Carmichael Holdings Limited t/a Millvale
- 9.8 Brooksdale Dairy Limited; and
- 9.9 Merino Downs Dairy Limited.

**Figure 2: South Otago Farms**



10 DHL currently does limited wintering and dairy support in the Otago Region (and is instead reliant on other farms located in the Southland and Canterbury Regions). It

is possible that this may change in the future as DHL looks to undertake farming operations in a more fully integrated/'full system' way within each Region.

## Annexure 2: Specific relief sought

Note: Text from the plan change relevant to the sought amendments is set out in the Relief Sought. Further amendments are shown in red and either as ~~strikethrough~~ or underline.

#	Reference	Support/oppose	Relief sought/reasons
1	Policy 7.D.6	Support in part	<p>DHL is generally supportive of Policy 7.D.6, but seeks amendments to ensure:</p> <ul style="list-style-type: none"> <li>the application Policy 7.D.6(b)(iv) is clear, and in particular that “<i>The expected reduction in nitrogen discharged over the term of the resource consent</i>” is to be determined against any explicit requirements set out in the Regional Plan (rather than more generally an open-ended expectation that improvements will be made over time in relation to all activities – as there will be activities that have appropriate effects or where it might be appropriate to simply “maintain” existing discharges). Policy 7.D.6(b)(iv) could be reworded to provided: <ul style="list-style-type: none"> <li>(iv) <del>The expected</del> <u>Any requirement under the Regional Plan: Water for Otago for a reduction in nitrogen</u> discharged over the term of the resource consent, particularly from changes to land management practices or infrastructure</li> </ul> </li> <li>the implementation of what should be Policy 7.D.6(b)(v) (noting that there appears two “iv’s”) is not clear and may result in consent durations being unnecessarily shortened. DHL suggests that some guidance should be provided – e.g. by providing for reduced durations of up to 2 years to allow better alignment of expiry dates. <ul style="list-style-type: none"> <li>(iv) The administrative benefits of <u>providing for reduced durations of up to 2 years to allow better</u> aligning of the expiry date with other resource consents for the same activity in the surrounding area or catchment.</li> </ul> </li> </ul>
2	Policy 7.D.7	Support in part	<p>DHL supports the general approach set out in Policy 7.D.7 but notes that “<i>best practice</i>” might be better defined with reference to “<i>good management practice</i>” which is more consistent with industry publications and wider Farm Environment Plan frameworks.</p>



#	Reference	Support/oppose	Relief sought/reasons
3	Rule 12.C.0.4	Oppose in part	<p>Although DHL is supportive of the intent of this Rule, DHL is concerned that:</p> <ul style="list-style-type: none"> <li>• Rule 12.C.0.4 and the requirement to have no discharge within 50 metres of “<i>Any lake, river or Regionally Significant Wetland; or Any bore or soak hole</i>”, will frequently capture discharges which do not have effects on those waterbodies and which are managed appropriately through good management practice in effluent application. DHL considers the buffer should (for example) be consistent with the general approach provided for in the recently released Resource Management (Stock Exclusion) Regulations 2020 and Resource Management (National Environmental Standards for Freshwater) Regulations 2020 (where stock grazing and the farming activities listed are likely to have not dissimilar effects if appropriately managed). The effects on those waterbodies will still be considered as a part of the resource consent process (under for example Rule 12.C.2.5(ii)).</li> <li>• DHL has some tile drainage on some of its South Otago (Tapanui) properties but it is unclear how tile drainage would be considered under this rule. DHL assumes that such a discharge would not be direct to the tile drainage and therefore not directly controlled by the rule. This interpretation is supported by the fact other rules expressly refer to the subsurface drainage (for example Rule 14.7.2.1). If incorrect in this understanding then DHL seeks that subsurface drainage be clearly excluded from the coverage of the rule.</li> </ul>
4	12.C.1.4	Oppose in part	DHL is supportive of provision being made for a permitted activity rule but considers (as it did for Rule 12.C.0.4) that the 50 metre set back is unnecessarily restrictive. DHL seeks that this be amended to 3 metres on the same basis.
5	12.C.2.5	Support	DHL is supportive of a restricted discretionary activity rule where an activity is not permitted or prohibited. DHL considers the matters of discretion appropriate.
6	14.7.1.1 and 14.7.1.2	Support	DHL is supportive of the use of and for an existing storage pond being a permitted activity and considers the requirements set out in the rule appropriate.

#	Reference	Support/oppose	Relief sought/reasons
7	14.7.2.1	Oppose in part	<p>DHL is also supportive of provision being made for new storage ponds being a controlled activity provided the conditions as proposed in the rule are met.</p> <p>DHL notes (consistent with the comments elsewhere in this submission) that the setbacks set out in Rule 14.7.2.1 are large and may be unnecessary. Effluent systems are also typically located within close proximity to a dairy shed where there is also typically a bore or other water supply so in many cases the required setbacks will not be met. Further consideration needs to be given to the stated setbacks and whether they are required, especially given provision elsewhere in the rule for ensuring leaks do not occur. DHL seeks that they be reduced</p>
8	14.7.3.1	Support	DHL is supportive of a discretionary activity rule where an activity is not permitted or prohibited.
9	Schedule 18	Support	DHL is supportive of drop-testing criteria that meet commonly understood industry practice for drop tests.
10	Schedule 19	Support in part	DHL is supportive of this schedule but notes that the actual requirements for storage are not that clear, noting that the permitted activity rule (14.7.3.1) refers to " <i>The storage pond is sized in accordance with the Dairy Effluent Storage Calculator</i> " (with reference also to the IPENZ Practice Note 211 and IPENZ Practice Note 27), whereas 19B refers the timing of a resource consent application (if required) against available storage. On the basis that what is intended is that storage is intended to be sized according to the Dairy Effluent Storage Calculator, then 19B might be assisted with an advice note that the volume of storage is still to be determined against the Dairy Effluent Storage Calculator and not the days/volumes set out in the 19B table.
11	Policy 7.D.9	Oppose in part	DHL supports the intent of this policy but notes that Policy 7.D.9(b) and (d) need to be amended to ensure it is consistent with the stock exclusion regime provided in the Resource Management (Stock Exclusion) Regulations 2020.
12	Critical source area definition	Oppose in part	Although DHL understands the intent of this definition, it is concerned it is too broad and could conceivable capture most sloped land and land without any observable waterbodies that might very

#	Reference	Support/oppose	Relief sought/reasons
			occasionally be subject to observable overland flow. DHL considers this needs to be amended to be focused on water bodies.
13	Rule 14.6.1.1	Oppose in part	DHL generally supports the intent of this rule but seeks that the requirement for a 10 metre setback be amended to be consistent with the 5 metre setback provided for in the Resource Management (National Environmental Standards for Freshwater) Regulations 2020, Regulation 26.
14	Rule 14.6.2	Oppose in part	<p>DHL has no issue with the intent of requiring a discretionary activity where the permitted activity cannot be met but assumes the rule will apply immediately when the plan becomes operative. That would be problematic were for example the plan to become operative immediate prior to wintering being required.</p> <p>DHL seeks that the rule be amended to provide for within 12 months of the plan becoming operative a resource consent application shall be made (but not necessarily determined). This approach would be generally consistent with the Regional Plans' approach to effluent storage.</p>
15	Rule 13.5.1.8A	Oppose in part	Rule 13.5.1.8A needs to be amended to align with the Resource Management (Stock Exclusion) Regulations 2020.
16	Dairy cattle definition	Oppose	<p>This is very broad and is internally inconsistent (in that it refers to cattle farmed for milk production but then refers to non-milking dairy cattle such as young stock and bulls). In many cases cows and bulls/steers derived from the dairy industry will be used in beef production and it is unclear how they are intended to be covered by the rule. DHL seeks that the definition be replaced with that from the Resource Management (National Environmental Standards for Freshwater) Regulations 2020 definition, i.e.:</p> <p><u>dairy cattle—</u>  <u>(a) means cattle farmed for producing milk; and</u>  <u>(b) includes—</u>  <u>(i) any bull on the farm whose purpose is mating with those cattle; and</u></p>

#	Reference	Support/oppose	Relief sought/reasons
			<u>(ii) unweaned calves of those cattle; but</u> <u>(c) does not include dairy support cattle</u>