ORC Omnibus Plan Change - Plan Change 8

Submission Reference no: 91

Fonterra Co-operative Group Limited (Richard Allen)

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New Zealand

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richard.allen2@fonterra.com **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.

Notes

see submission

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

FONTERRA CO-OPERATIVE GROUP LIMITED

Submission on Proposed Plan Change 8 to Otago Regional Plan

To: Otago Regional Council

Submitter: Fonterra Co-operative Group Limited

Contact: Richard Allen

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- I confirm that I am authorised on behalf of Fonterra to make this submission.
- Fonterra wishes to be heard in support of this submission.
- If other parties make similar submissions, Fonterra would consider presenting a joint case with those parties at the hearing.
- Fonterra will not gain a trade competition advantage through this submission. Fonterra will be directly affected by adverse effects that will result if Plan Change 8 to the Otago Regional Plan becomes operative in its current form. These adverse effects do not relate to trade competition or the effects of trade competition.

Introduction

Fonterra acknowledges the work that Otago Regional Council (Council) has undertaken in the preparation of Proposed Plan Change 8 to the Otago Regional Plan (**PC 8**).

- .1 Fonterra understands the need for, and generally supports the direction of PC 8 (improved management of discharges), however the framework as proposed for farming related discharges is unnecessarily complicated, is difficult to navigate and will add unnecessary costs.
- .2 Fonterra believes PC 8 requires significant change to make the provisions workable, efficient and effective.

(a) Relief sought

- .1 Fonterra seeks the following decision on submissions on Plan Change 8:
 - (a) Retention, deletion or amendment of various provisions of PC 8 as set out in **Appendix 1**;
 - (b) Such further or other consequential or alternative relief as may be necessary to fully give effect to the relief sought in this submission.

KM.

Richard Allen
Environmental Policy Manager, Fonterra Co-operative Group Limited
17 August 2020

Appendix 1: Fonterra Submissions PC 8

Amendments proposed to the text of PC 8 are shown in red text with deletions struck out and additions underlined.

Table A – Fonterra's farming-related submission points

#	PAGE NO.	PROVISION	SUPPORT / OPPOSE	COMMENTS	RELIEF SOUGHT
SECT	ION 7- POL	LICIES			
1.	6	Policy 7.D.5	Oppose in part	The policy is directing resource consent applicants and consent officers considering those applications and should be as clear and unambiguous as possible. The wording of (b) that requires having regard to "any particular sensitivity of the land and any receiving water" is highly subjective and likely to lead to uncertainty and inconsistent conditions. The ability to consider effects on receiving water is already provided for under (e) and (f). A more useful practical matter to have regard to would be the linkages between the land where the activity occurs and waterbodies.	Amend part (b) of Policy 7.D.5 so that it reads: The physical characteristic of the land and any particular sensitivity of the land and any receiving water and the proximity of, and linkages to, waterbodies
2.	7	Policy 7.D.6	Oppose	The Section 32 report sets out the likely interim nature of the changes in PC 8, and the timeframe extensions put in place through an earlier process. The purpose of / immediate need for, this new nitrogen focussed policy applying to 12.C.3.2 – a general discretionary activity rule for discharges not managed by other rules, is not clear. The nitrogen focus suggested by the addition of this policy—there is no comparable phosphorus, sediment or e coli policy proposed – is not consistent with addressing the water quality issues that the regional plan looks to manage. Fonterra believes the nitrogen rules in the operative plan are flawed and unlikely to be implementable in current form (for example referencing an obsolete Overseer version and a Data Input Standard that no longer exists).	Delete 7.D.6

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				The new policy does not make the nitrogen provisions more workable and seems to have no short- term application given the date extensions put in place through PC 6AA. Fonterra believes that the whole nitrogen management regime in the regional plan, alongside clear policies and rules to equally address other contaminants, should be comprehensively and cohesively addressed through the planned 2023 changes to the LWRP.	
3.	12	Policy 7.D.7	Support in part	Fonterra supports clear rules and standards being applied to effluent management systems. Clause (a) uses "best practice" as the appropriate management and operation standard. This is problematic as best practice is not a known or fixed point – it is always changing and is likely to be highly subjective. The appropriate standard is achieving good management practice (GMP) for effluent management. This standard is well understood and is set out in the nationally recognised Good Farming Practices / Principles. It may well be appropriate to further define GMP so regionally relevant standards are made explicit. It is the GFP principles that inform actions in most regulatory and non -regulatory Farm Environment Plans (FEPs) around the country.	7.D.7 Ensure the appropriate management and operation of animal waste systems by: (a) Requiring animal waste systems to be designed, constructed and located appropriately and in accordance with best practice Good Management Practices (GMP), and any necessary additional regionally appropriate standards; and (b) Ensuring that all animal waste systems: (i) Have sufficient storage capacity to avoid the need to dispose of effluent when soil moisture or weather conditions may result in run-off entering water; and
				Clause (d) is inconsistent with ensuring effluent systems are designed and operated in accordance with GMP and the Farm Dairy Effluent Design Standards. https://www.dairynz.co.nz/publications/environment/farm-dairy-effluent-design-standards-and-code-of-practice/ Low rate systems may be the best outcome for some farms but an unnecessary cost with no environmental benefit for others. The code of practice referenced here will recommend low rate application systems where soil	(ii) Include contingency measures to prevent discharges to water in the case of equipment or system failure; and (ii) (iii) Are operated in accordance with an operational management plan for the system that is based on best practice good management practice guidelines and industry standards and inspected regularly; and

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				characteristics, slope and practices make that the most effective outcome.	(c) Avoiding the discharge of animal waste to water bodies, artificial watercourses, the coastal marine area and to saturated land; and (d) Requiring low-rate effluent application for any new discharge of animal waste to land and encouraging the transition to low-rate effluent application for existing discharges of animal waste to land.
4.	13	7.D.8	Support in part	The staged implementation approach (to ensure existing animal waste systems are upgraded where required so as to meet key standards while recognising Council resourcing limitations), becomes unnecessary if waste system upgrades are enabled with a shorter transition timeframe to complete significant infrastructure upgrades. The alternative and simplified framework we have proposed will lead to the accelerated uptake of GMP for animal waste systems.	7.D.8 Provide for Enable and encourage the upgrading of existing animal waste systems that do not meet the standards of Rule 14.7.1.1 12.C.1.4 by: (a) Granting resource consents only where consent applications contain a timebound action plan for upgrading the existing animal waste system so that it meets the standards of Rule 14.7.1.1 as soon as possible; and (a) Providing for a transition period to meet effluent storage standards where significant infrastructure improvements are required. (b) Permitting the maintenance, upgrading and operation of animal waste systems that can meet clear and robust design standards, and ongoing monitoring and reporting requirements. (c) Where the standards and timeframes in (a) and (b) cannot be met - granting resource consents only where consent applications contain a timebound action plan for upgrading the existing animal waste system so that it meets the standards of Rule-12.C.1.4 or equivalent outcomes, as soon as possible.; and

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					(b) Staging implementation of performance standards based on risk.
5.	33	7.D.9	Support	This policy appropriately references GMPs as a general standard that is then refined with regionally appropriate minimum standards for particular risks. Fonterra supports policy that requires GMP, with regionally appropriate clear standards applied equitably. Fonterra notes that this policy does not differentiate based on sector but the stock exclusion rule 13.5.1.8A does.	7.D.9 Enable farming activities while reducing their adverse environmental effects by: (a) Promoting the implementation of good management practices (or better) to reduce sediment and contaminant loss to water bodies; and (b) Managing stock access to water bodies to: (i) Progressively exclude stock from lakes, wetlands, and continually flowing rivers; and (ii) Avoid significant adverse effects on water quality, bed and bank integrity and stability, Kai Tahu values, and river and riparian ecosystems and habitats; and (c) Setting minimum standards for intensive grazing; and (d) Managing the risk of sediment run off from farming activities by: (i) Implementing setbacks from water bodies and establishing riparian margins, and (ii) Limiting areas and duration of exposed soil; and (e) Promoting the identification and management of critical source areas within individual properties, to reduce the risk of nutrient or microbial contamination and sediment run-off.
SECT	ION 12- RL	JLES			
6.		12.C.0.4	Support in part	While Fonterra supports prohibited status for discharges of effluent system discharge contaminants entering water, clause (vii) appears to anticipate that such discharges can occur if certain effects are avoided. If this	Clarify when Clause (vii) applies OR delete (vii)

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				is intended, we would suggest clarification of when it is the effects that are prohibited and when it is any discharge of effluent contaminants that is prohibited. Alternatively delete clause (vii) if the intent is blanket prohibition of these discharges.	
7.	17	Rule 12.C.1.4	Support in part	Fonterra believes it is possible (and efficient) to regulate effluent management systems and associated discharges to land in Otago through a permitted activity rule in the majority of cases. Fonterra supports the intent of this rule hierarchy – ensuring animal waste systems are brought up to a	Rewrite Rule 12.C.1.4 as a permitted activity rule as below: 12.C.1.4 The collection, transfer and storage of animal effluent, and the subsequent discharge of that animal effluent to land via an effluent irrigation system, is a permitted activity providing:
				standard consistent with GMP and industry standards, including appropriate storage volumes and sealing standards and the system is operated in a manner consistent with recognised GMP. However, the proposed rule framework for effluent management is overly complicated and places a completely unnecessary administrative cost on farmers. The long roll out period	(a) The discharge is not prohibited under Rule 12.C.0.4; and (b) The discharge does not occur within 50 metres of the boundary of the property on which the animal waste is generated, or beyond that boundary; and
				under the proposed rule, based on a single risk factor (storage volume currently available), acts to delay the uptake of good management practice for animal waste management. Additionally, it is not clear that Otago Regional Council has the capacity and capability to process large numbers of applications for resource consent with broad matters of discretion, in an equitable and cost -efficient manner.	(c) (i) The animal waste system was existing (as at the date of plan notification) and meets all conditions of this rule other than conditions relating to storage volumes and acceptable methods of storage sealing. This transitional provision applies until two years after the date this rule becomes operative at which time the system must meet all the conditions (a) to (m).
				The collection, transfer, storage and irrigation to land of effluent, can be readily and effectively regulated through	Note: existing animal waste systems that cannot meet any one or more of the conditions in this rule other than the exceptions set out in (a) above, must apply for resource consent within 6 months of this rule becoming

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				a number of clear, certain and enforceable standards. Where those standards cannot be met, or a more "tailored" approach to effluent management is considered preferable, a resource consent becomes an appropriate requirement.	operative. Any new animal waste system (does not include maintenance or the upgrading of an existing animal waste system), must comply with all conditions and standards in this rule or apply for resource consent before commissioning the system, the transitional exceptions do not apply.
				Fonterra supports a rule framework that allows for a sensible transition timeframe to complete significant infrastructure improvements that may be required under PC 8. We therefore suggest a transitional permitted status where farmers would have two years (post PC 8 becoming fully operative) to fully comply with effluent storage volume and sealing standard requirements introduced in this plan.	Or: (c) (ii) The animal waste system and the management of that system complies with all conditions and standards (a) to (m) as set out below: Effluent Storage Facilities - Sizing
				We have provided, (see relief column) a draft set of standards that could provide the basis for a regionally tailored suite of system and practice standards for a permitted activity rule. We believe a range of experts could usefully work together before and during the Hearings process to refine the draft standards. Note that new definitions (for example "low rate system") may be required if these standards or other similar standards are accepted.	(a) Effluent storage facilities shall be sized to the 90% probability the effective volume of storage will be adequate, using the Dairy Effluent Storage Calculator. The calculations and documentation shall be carried out by a suitably qualified person in general accordance with the latest version of "A guide to using the Dairy Effluent Storage Calculator" (DESC). Evidence that this condition is met will be provided to the Council on request.
					(b) New effluent storage facilities shall be designed and constructed in general accordance with the latest version of IPENZ Practice Note 21 – Farm Dairy Effluent Ponds, where this is applicable.

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					Evidence that this condition is met will be provided to the Council on request.
					Effluent Storage Facilities - Sealing Standards
					(c) Evidence must be provided to the Otago Regional Council within 24 months of this plan change becoming operative (for ponds constructed prior to the 6 th July 2020) and every three years thereafter for ponds constructed prior to the 6 th July 2020 and five years for ponds constructed on or after 6 th July 2020, demonstrating:
					(i) The effluent storage facility is fully lined with an impermeable synthetic liner, or is of concrete construction, or is an above ground tank, and:
					(ii) For synthetically lined storage facilities, and in ground concrete ponds, but excluding above ground tanks and concrete ancillary animal waste system structures of less than 100 000 litres, there is a leak detection system that underlies the effluent storage facility, which is inspected not less than monthly and there is no evidence of leakage. OR
					(iii) <u>For effluent storage facilities that are</u> <u>synthetically lined or inground concrete</u> <u>tanks without an underlying leak</u> <u>detection system, or that are lined with</u> <u>clay, the facility has been certified by a</u>

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						suitably qualified person, within 12 months of this rule becoming operative, as meeting the relevant drop test criteria in Schedule 18. (or another council approved permeability testing method)
						All components of an animal waste system shall be constructed of impervious materials and built to a standard that prevents any discharge of effluent out of the animal waste system, other than in accordance with (e) - (m).
					<u>Effluer</u>	t Irrigation
					(e)	There is no discharge of animal effluent to a lake, river, artifical watercourse, modified watercourse, natural wetland or the coastal marine area, either directly or by overland flow, or via a pipe: and
					(f)	There is no discharge of animal effluent to land when the soil moisture exceeds field capacity with no overland flow or ponding of animal effluent; and
					(g)	There is no discharge of animal effluent within 20 metres of a surface waterbody, 100 metres of bore used for water

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					abstraction or 50 metres of the property boundary; and
					(h) The maximum discharge depth of animal effluent is 10mm for each individual application when using a high rate application method and 25mm for each individual application when using a low rate application method; and
					(i) The maximum discharge depth of animal effluent to sloping land (>7 degrees) is 10mm for each individual application at a rate not exceeding 10mm/hr; and
					(j) The maximum loading rate of nitrogen onto any land area does not exceed 150 kilograms of nitrogen per hectare per year from effluent applied to land from the animal waste system.
					(k) The discharge has backflow prevention installed if the agricultural effluent is applied with irrigation; and
					(I) The location of any known sub-surface drains within the discharge area, and their outlet position, is mapped and provided to the Otago Regional Council upon request. These areas will be managed to ensure there is no discharge to water from the drainage network: and
					(m) The person undertaking the activity keeps a written record of the following

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					information and: upon written request by the Otago Regional Council, provides the information to the council:
					(i) dates and time of discharge; and
					(ii) <u>land application area; and</u>
					(iii) <u>application rates and depths; and</u> (iv) <u>maintenance records for</u> <u>agricultural effluent storage and</u> <u>application equipment</u>
8.	18	Rule	Support in	The risk being managed under both 12.C Rules and 14.7	Rewrite Rule 12.C.2.5 as below:
		12.C.2.5	part	Rules, is that of contaminants associated with collected animal effluent reaching water – separating the structures (under a land use rule) from the discharge is an inefficient and confusing regulatory approach.	12.C.2.5 The discharge of animal waste, or water containing animal waste, from an animal waste system onto or into land is a controlled activity provided that: (a) The discharge is not prohibited under Rule 12.C.0.2A; and
				Fonterra supports clear and practical GMP and standards- based regulation for effluent systems and the	(b) The discharge is not permitted under Rule 12.C.1.4
				management of those systems. The rule framework for effluent management in PC 8 is unnecessarily complex,	And is subject to the following conditions:
				difficult to follow and will not be the most efficient and	

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	transfer networks, ancillary structures and contingency systems) is designed and operated in a manner consistent with the descriptions and standards set out in the Farm Dairy Effluent Design Standards and Code of Practice (COP) and The storage pond(s) or tank(s) is sized in accordance with the Dairy Effluent Storage Calculator; (90% DESC as carried out and certified by an approved person within two years of consent being granted) or an equivalent storage outcome as approved by the Council) and

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					management, recording of irrigation events and an incident register.
					(ii) Leak detection system checks (where relevant) carried out monthly and a written record of inspections to be kept.
					(iii) If a leak is detected by the leak detection system, an assessment is undertaken by a Suitably Qualified Person within two months of the detection to determine whether the leak is within the normal operating parameters of the pond.
					(iv) Pond drop tests, or an alternative approved permeability assessment of the storage pond(s) (does not apply to an engineered above ground storage tank, or to ancillary system structures such as sumps and transfer tanks that have been certified as fit for purpose) every three years; and
					(v) Contingency measures to prevent unauthorised discharges in the event of power outage or the failure of equipment.
					Otago Regional Council reserves control over the following matters:
					(a) The design and construction of the system, including storage capacity, nature of the animal waste and the anticipated life of the system; and (b) The design, construction and adequacy of ancillary structures that are components of the animal waste system; and

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					(e) The height of embankments and the placement and orientation relative to flood flows and stermwater run-off; and (d) (c) Methods to protect the system from damage by flooding, animals and machinery; and (e)-(d) Quality of, and implementation of, a management plan for the animal waste system. which requires pond drop tests of the system's storage pond(s) every three years; and (f) (e) Potential adverse effects of construction, maintenance and use on water bodies, drains, groundwater, bores, drinking water supplies, the coastal marine area, stop banks, dwellings, places of assembly and urban areas; and (g) (f) Location of the animal waste system; and (h) (g) Measures to avoid, remedy or mitigate adverse effects on Kāi Tahu cultural and spiritual beliefs, values and uses. (i) (h)- Any information and monitoring requirements.
8.	20 - 22	14.7.1.1 14.7.1.2 14.7.2.1 14.7.3.1	Oppose	The land use rules for effluent system structures are duplicative, confused and unnecessary and should be deleted. The risk being managed (effects of discharges from effluent management systems) can be managed through a single discharge, or hybrid discharge / land use rule hierarchy. The matters covered in these rules (14.7), should be clarified, simplified and incorporated in to the 12.C rules.	Delete Rules 14.7.1.1 14.7.1.2 14.7.2.1 14.7.3.1
9.	26	Schedule 19	Oppose	Schedule 19 prioritisation will act to delay the implementation of system improvements and the meeting of clear good management practice standards.	Delete Schedule 19

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				If the rule framework for the management of discharges of collected farm wastewater is made efficient as per the Fonterra submission, Schedule 19 becomes unnecessary and can be deleted in its entirety.	
10.	41	14.6.1.1	Support in part	Fonterra supports clear standards based permitted activities with practical thresholds beyond which it becomes appropriate to manage increased risk through resource consent. It may be necessary to rework this rule to incorporate the intensive winter grazing provisions in the NES -F.	14.6.1.1The use of land for intensive grazing is a permitted activity providing:
11	42	14.6.2	Support	Fonterra supports clear standards based permitted activities (as per 14.6.1.1) with practical thresholds beyond which it becomes appropriate to manage increased risk through resource consent.	14.6.2 Discretionary activities: Resource consent required 14.6.2.1 Except as provided by Rule 14.6.1.1, the use of land for intensive grazing is a discretionary activity.
12	47	13.5.1.8A and glossary at p49	Support in part	Fonterra supports exclusion of livestock from the beds of waterbodies generally and recognises the need to allow for progressive implementation of a regulatory standard. We believe rules generally should be effects based,	13.5.1.8A The disturbance of the bed of any lake or river, or any Regionally Significant Wetland by livestock, excluding intentional driving of livestock, and any resulting discharge or deposition of bed material, is a permitted activity,
				equitably applied to all who are carrying out activities associated with the risk being managed and should not be sector biased where the same effects occur across sectors.	providing it does not: (a) It does not (i) Involve feeding out on that bed or wetland; or (bii) Cause or induce noticeable slumping, pugging or erosion; or
				The dairy sector has voluntarily implemented stock exclusion in Otago with many hundreds of kilometres of permanent fencing erected and nearly all stock crossing	(eiii) Result in a visual change in colour or clarity of water; or

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				points bridged or culverted. The proposed 5m setback (only applied to dairy farms) in effect requires more from the sector that has carried out stock exclusion while applying no controls at all on the drystock sector. Exclusion standards based on slope, land type, stock class or stocking intensity all make more sense than a standard based on sectors. We note the policy does not establish the basis for the rule framework bias. Drystock cattle at the same stocking rate on the same class of land are not inherently lower risk than dairy type cattle and to be effective the rule should recognise this. A parallel definition of beef cattle should be added to the glossary.	(div) Damage fauna, or New Zealand native flora, in or on any Regionally Significant Wetland; and (b) From 2022: (i) All dairy cattle and pigs are excluded from the beds of lakes, continually flowing rivers wider than 1 metre and Regionally Significant Wetlands; and (ii) where stock are excluded under (i), a setback of five three metres from the beds of lakes, continually flowing rivers wider than 1 metre and Regionally Significant Wetlands is implemented. This provision does not apply to existing permanent stock exclusion fencing for the life of that fence; and (c) From 2023: (i) All non- dairy cattle and all deer are excluded from the beds of lakes, continually flowing rivers wider than 1 metre and Regionally Significant Wetlands on land with a slope less than 15 degrees; and (ii) where stock are excluded under (i), a setback of three metres from the beds of lakes, continually flowing rivers wider than 1 metre and Regionally Significant Wetlands is implemented. This provision does not apply to existing permanent stock exclusion fencing for the life of that fence.