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1. EXECUTIVE SUMMARY

- 1.1 Hancock Forest Management (NZ) Limited (“HFM”) manages approximately 236,000 ha of plantation forest located in the North Island in a variety of ownerships and with a variety of land use capability classes (LUC 3-7). Overall forestry is well understood and accepted to provide significantly improved water quality compared to farming.
- 1.2 HFM is concerned that PC1 has effectively awarded a windfall gain to the majority of high polluting land uses, which now hold a monopoly on activities such as vegetable production and dairy farming. Conversely those polluting the least face the greatest constraints on future land use options.
- 1.3 In my view the proposed approach amounts to grandparenting and rewards polluters, creating no incentive for farmers to reduce their nutrient losses below their NRP allocation. In actuality, it creates the perverse incentive for farmers to farm ‘up to the cap’ to preserve options and future land value. This was a view I consistently expressed during my tenure as the forestry representative on the CSG.
- 1.4 My experience of the CSG process is that the adoption of PC1 was not by consensus (and this is clear from the record). The key provisions came down to non-unanimous votes under extreme time pressure, and that under those circumstances the relative numbers of representatives for the primary sectors had a direct bearing on the outcome. I consider that a different group or different process would have resulted in a different outcome, particularly one that better reflected the agreed policy selection criteria.

2. INTRODUCTION

- 2.1 My full name is Sally Barker Strang. I hold the qualification of Bachelor of Civil Engineering. I have 18 years’ experience in forestry and land management issues. I am currently employed as Environmental Manager for Hancock Forest Management NZ Ltd, a role I have held for the past 12 years. Prior to that I worked for Carter Holt Harvey Forests for 6 years in

environmental management roles (Environmental Planner and subsequently Environmental Manager).

2.2 I am a member of the NZ Institute of Forestry and I am currently Chair of the Forests Owners Association Environment Committee. I was part of the working group that developed the National Environmental Standards for Plantation Forestry.

2.3 I am familiar with PC10 in the Rotorua Catchment and HFM is s274 party to the proceedings that are currently before the Environment Court. I am also the co-owner of a cropping and drystock farm located near Arapuni in the Waikato Catchment and have a good understanding of the effects of PC1 on both a farming and forestry operation. However, my evidence today is provided on behalf of, and authorised by, HFM.

2.4 I was a delegate to the Collaborative Stakeholder Group process as one of two delegates for the forestry sector (Trish Fordyce being our main representative).

2.5 This evidence:

- addresses the outcomes of that process for the forest industry, noting that the forestry sector did not agree with many of the CSG recommendations;
- introduces HFM, its interests and the role of forestry in the region;
- summarises HFM's key concerns with PC1.

2.6 As HFM and Oji Fibre Solutions (NZ) Limited share concerns with the potential outcomes for forestry under PC1, we have agreed to present a joint case on those provisions of the plan that affect the forest industry. HFM therefore adopts the evidence of presented on behalf of OjiFS, in terms of an alternative approach to PC1 and the relief sought by Dr Mitchell.

3. BACKGROUND TO HFM

3.1 HFM manages approximately 236,000 ha of plantation forest located in the North Island for three investor clients; Taumata Plantations Ltd, Tiaki Plantations Company and OTPP NZ Forest Investments Ltd. Of this approximately 87,000 ha lies within the Waikato Region and 72,000 ha

within the Waikato and Waipa catchments, the majority of which is owned by Taumata Plantations Ltd.

- 3.2 The forests in the catchment are in a variety of ownerships including freehold (52,000 ha), long term lease (11,000 ha) and forestry rights (18,000 ha). Together the estate represents about 28 percent of planted production forests in the Waikato Region.
- 3.3 The forests are predominantly located on Land Use Capability class 4, 6 and 7 land. The breakdown of the productive areas of forest within the Waikato Catchment are shown in the table below.

Land Use Capability (LUC)	Productive forest area under HFM management
Class 3	3,537 (5%)
Class 4	12,059 (17%)
Class 6	38,845 (54%)
Class 7	1,463 (2%)

Table 1: LUC of the HFM managed forests in the Waikato and Waipa catchments

- 3.4 Both HFM and our client's key business is in plantation forestry and therefore we are not directly involved in any forest to dairy farm conversions. However, at the time of purchase from the former owner, Carter Holt Harvey Forests Limited, the asset included one rotation forestry rights to the current rotation of trees on land retained by Carter Holt Harvey for the purpose of conversion. Therefore, in some instances Taumata Plantations owns the current crop of trees on land that is to be handed back to the owner after harvest. All land owned by Taumata Plantations, or under long term lease or multiple rotation forestry rights is being replanted into forestry.

4. IMPORTANCE OF FORESTRY TO THE WAIKATO REGION

- 4.1 Rural land uses and the primary production sector are clearly part of the region's identity, as well as a major contributor to the region's economic, social and cultural wellbeing.

- 4.2 The primary production sector is at the core of New Zealand's economy, a major determinant of employment and social wellbeing, and a key driver of the country's land, water and biological resource use. When combined, the agriculture, food and forestry sectors generate 64% of New Zealand's merchandise export earnings and around 12% of the Gross Domestic Product.¹
- 4.3 The Waikato Regional Council has identified on their "Hidden Economy" website page that forestry and other primary production industries such as agriculture and horticulture are significant ecosystem service providers, contributing to direct and indirect environmental benefits. Forestry provides many ecosystem services, it provides a timber resource that has direct economic value and it provides for erosion control, water regulation, biodiversity and recreation, as well as playing an important role in mitigating against climate change. All of these benefits have been identified by Waikato Regional Council, with forestry being the second most significant ecosystem contributor totalling \$1.848 million in ecosystem services value, close behind lakes and rivers at \$1.856 million.²
- 4.4 With regard to water quality specifically, plantation forestry is well understood to provide improved water quality over alternative productive land uses. Due to the minimal fertilising undertaken as compared to farming, nutrient losses are very rarely of concern. Nitrogen losses from plantation forestry are typically around 2-3 kg/ha/year, considerably lower than even very low intensity farming operations. Microbial pathogen losses are also low due to the lack of livestock.
- 4.5 The only one of the four contaminants managed under PC1 that is associated with Plantation Forestry is sediment loss. During the growing phase forests stabilise the soil, significantly reducing sediment losses. At the time of harvest, the removal of vegetative cover along with associated earthworks and soil disturbance means that inevitably there will be a short increase in sediment loss from the catchment. A number of studies and monitoring projects have documented this effect. The graph below is taken from the Pakuratahi catchment study where two equivalent catchments were monitored over an 11 year period, one in forestry (Pakuratahi) and on

¹ <http://www.maf.govt.nz/agriculture>

² <http://www.waikatoregion.govt.nz/Community/About-the-Waikato-region/Our-economy/The-hidden-economy/>

in farmland (Tamingimingi). The following graph (Figure 1) shows sediment losses from the two catchments through the period prior to, during and after harvest.

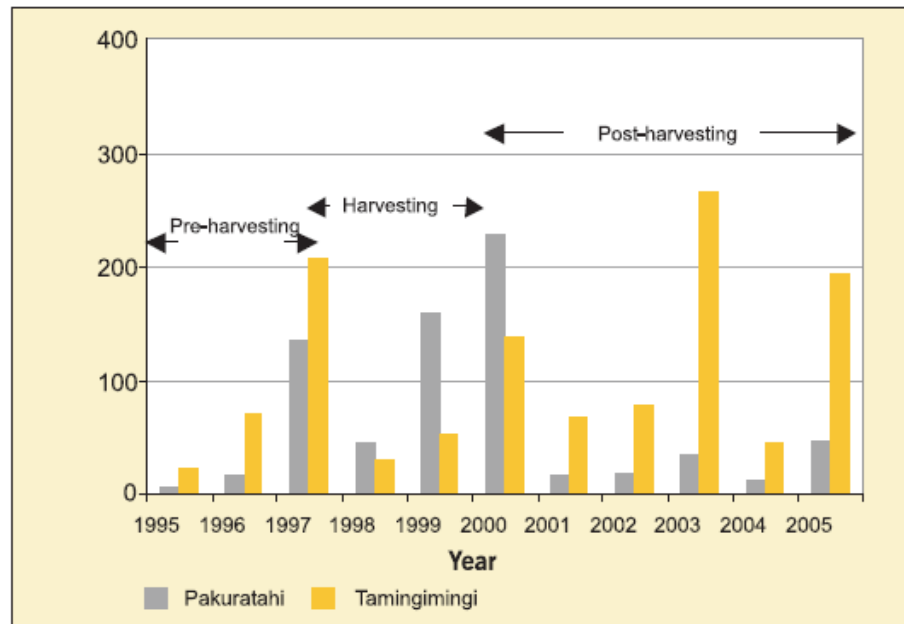


Figure 1

4.6 As can be seen from the graph, during the period preceding and following harvest, sediment losses are significantly lower from the forested Pakuratahi catchment. During the period of harvest sediment losses increased in the forested catchment to being above the farmed catchment for the three years of harvest, however this rapidly dropped back to pre-harvest levels following completion of harvest. Over the 11 year period of the study it was estimated that sediment loss per hectare from the forested Pakuratahi catchment was 61% of the farmed Tamingimingi catchment. Obviously over the full growing cycle (28-30 years) that figure would be considerably lower.

4.7 Overall forestry is well understood and accepted to provide significantly improved water quality compared to farming, noting this is the reason that the proposed rule approach in PC1 seeks to avoid any further conversion of plantation forest through land use change.

5. ISSUES ARISING FROM PC1 FOR PLANTATION FORESTRY

- 5.1 PC1 has been designed to preserve the status quo. A key plank of PC1 is that in order to achieve the plan's objectives, existing low nitrogen-use land are effectively locked in their current land use. Through Policy 6 and rule 3.11.5.7, PC1 seeks to limit land use change in the Waikato region as at the date of notification of the plan. Through rule 3.11.5.3, leaching rates are held to 2014-2016 levels, with the exception of the worst 75th percentile who are required to reduce their leaching rates down to the 75th percentile level. For most intensive land uses, the key method to implement the objectives relies on Farm Environment Plans and the gathering of information for the development of future policy direction as part of subsequent plan reviews.
- 5.2 Despite signalling that the following plan review should transition to a "land use suitability" approach (Policy 7) I understand that there is no legal requirement that this transition must occur when the plan is due for review. Plan Change 10 to the Bay of Plenty Regional Plan is a good illustration of the expectations that are created by an 'interim approach' to management of land uses. In that case, rule 11 also restricted land use change coupled with a preservation of the status quo via stepped allocations based on current land use. Subsequently, review of the plan resulted in significant resistance to any other approach, with some submitters denying the approach was 'interim' and others arguing that the best economic outcomes arise from preservation of the status quo.
- 5.3 HFM is concerned that PC1 has effectively awarded a windfall gain to the majority of high polluting land uses, which now hold a monopoly on activities such as vegetable production and dairy farming. Conversely those polluting the least face the greatest constraints on future land use options. As outlined by Dr Scrimgeour this will inevitably sheet home to land value impacts, disproportionately impacting the lowest polluters.
- 5.4 This creates a situation where only those polluting excessively have options. If a drystock farmer or forester wishes to convert their land to a more intensive land use they will be unable to do so under the NRP allocation. However, if their neighbour were an intensive farmer leaching

at a high rate, but with opportunities to improve, they could purchase the farm or forest and intensify by improving operations on their original farm to the point that overall leaching is equivalent. There have already been examples of this occurring under consent in the region. Perversely, if the neighbour was an earlier adopter who has already exhausted all opportunities to minimise their leaching rate, then they also would have no ability to intensify the land.

- 5.5 In my view the proposed approach amounts to grandparenting and rewards polluters, creating no incentive for farmers to reduce their nutrient losses below their NRP allocation. In actuality, it creates the perverse incentive for farmers to farm 'up to the cap' to preserve options and future land value.
- 5.6 This can only serve to deter future forestry planting, particularly given that PC1 signals a further allocation regime to be introduced in ten years' time. Landowners will be deterred from planting trees in the knowledge that such planting could effectively lead to elimination of any higher and better use options in future and a consequent reduction in land value.

6. INVOLVEMENT IN THE CSG

- 6.1 As noted above I was one of two forestry delegates to the CSG. From commencement through until March 2016 Trish Fordyce was the primary representative and I was the alternate. In March 2016 Trish Fordyce had to withdraw and I took over as the primary representative. I was directly involved in CSG meetings from March through until the end of the process. I also took part in subgroup meetings relating to plan drafting that took place through April and May 2016. As is often the case with collaborative processes, much of the substantive detail of the rules was only developed in the final months of the process. The more difficult and contentious issues came down to the wire and were only finalised in the weeks prior to the meeting to vote on each of the provisions of the proposed plan content on 7 July 2016.
- 6.2 Through the process there was significant discussion and debate regarding key aspects of the rules. As already indicated, two particularly contentious issues that directly affect forestry were the land use change rule (rule 3.11.5.7) and the inclusion of a Nitrogen Reference Point ("NRP").

- 6.3 The land use change rule was initially proposed as an interim moratorium on land use change, until the building blocks could be put in place to transition to a fairer approach based on natural capital. On that basis the proposal was initially accepted by forestry. However, through drafting of the plan rules, the land use change rule initially appeared with no end date and no indication within the plan that it was ever intended to transition in future. It was only after very robust discussion that an end date of 1 July 2026 was inserted into the rule, along with amendments to Policy 7 to give some indication of an intent to transition to a fairer approach.
- 6.4 Through that discussion it had become apparent that some sectors had no real commitment to transition away from the land use change rule in future. On the basis of our concern that the time frame for the rule was too long, and the clear lack of commitment to a transition, following consultation with my sector at the final voting meeting on 7 July 2016 I voted against the rule, along with three other CSG members.
- 6.5 The introduction of a NRP was a second particularly contentious issue amongst the primary sector representatives. Until March of 2016 there had been no mention of NRP's for individual properties. To the contrary the CSG had been in clear agreement that they did not wish to follow a grand parented approach used in other regions, and that Overseer was not a reliable enough tool to support nutrient allocation at this time.
- 6.6 Through the period late 2015 and early 2016 there were discussions through sub groups regarding development of property level limits. I did not attend all CSG meetings at that time (Trish Fordyce being the primary representative) however I can see from the minutes that each time this was raised the usual concerns about equity and the accuracy of Overseer as a means of allocation were expressed. During that time there was no decision to allocate, and to the contrary, the minutes recorded that the use of Overseer was not intended to be used as an allocation mechanism (refer example excerpts from minutes below):

CSG minutes 10 December 2018:

CSG Agreed that;
 -Need to benchmark for accounting purposes, not allocation
 -Highest emitters have to come down (eg top 25%ile)
 - and everyone does 'GMP' (to be defined by sector)
THEN move towards ultimate allocation regime. Ideas so far:

- System based on natural capital (of some kind to be defined), or;
- Capped sector average (those above sector average come down to average; others stay put). No allowance for headroom, or;
- Everyone makes a % reduction (could be same % across the board or different % for each land use), AND/OR;
- Communities create unique solutions in each sub-catchment, AND;
- Make a mechanism for re-allocation of headroom/flexibility to increase (how-to be defined),

*CSG minutes 10 December 2016***Allocating responsibility/pace of change**

Helen summarised where the group got to in regards to allocation at the last CSG workshop.

Points that are generally agreed:

- Benchmarking (retrospective) is a critical step **but not** as an allocation (do not want pure grandparenting). Benchmarking is for knowledge/monitoring/accounting, not allocation
- Hold the line against pressure to intensify while we provide the transition time to minimise social disruption/pain AND create the change towards agreed limit steps. E.g. 10% rule on intensification OR stop conversions. Need to create mindset for change and keep moving in transition; have ways to demonstrate change is occurring.
- Bring top N-emitters down (e.g. to 75%ile). This gets some fast gain and captures those who intensified in anticipation.
- Everybody does minimum GMP and meets catchment-wide rules as soon as possible (5yrs?). GMP to be defined/sector-specific practices
- Property plans are put in place to address all four contaminants (5-10 years). Audit system is important. Implementation is prioritised, e.g. using heat maps.

6.7 In hindsight I can now see the subtle moves toward allocation in some of the earlier CSG minutes, however most of the discussions were taking

place in the Property Plan Subgroup (which I did not attend as it was tasked with working on Farm Plans) rather than as part of full discussion on the topic by the CSG.

6.8 On 26 April 2016 I received papers for the CSG meeting taking place on 29 April 2016 and for the first time saw a draft rule proposing NRP's and a requirement that the loss of Nitrogen from a property could not increase above this level. I expressed concern to the CSG facilitator via email at the time that such a significant rule had appeared without explicit discussion and agreement of the CSG. I attach a copy of my email to Helen Ritchie dated 3 May 2016 as **Appendix SS 1**.

6.9 The issue was the subject of ongoing debate amongst the primary sector representatives at the CSG and subgroup level through May 2016 but agreement could not be reached.

6.10 I repeatedly raised the concern that the NRP approach was both grandparenting and allocation, both of which the CSG had consistently agreed would not be followed. Other primary sector representatives were strongly of the view that NRP's were neither a form of allocation nor grand parenting.

6.11 I also repeatedly raised the concern that the approach was contrary to our agreed Policy Selection Criteria, in particular, the following:

- *Achieve sound policies for allocation*
- *Recognise efforts already made*
- *Exhibit proportionality (those contributing to the problem contribute to the solution)*
- *Foster innovation*
- *Encourage positive actions being taken*
- *Provide flexibility of future land use*
- *Take account of complexity and difference between farming systems and farm enterprises.³*

6.12 By this point in the process the CSG was coming under significant time pressure due to looming deadlines and the need for final rule drafting to

³ Refer to the Section 32 Report at page 50.

take place. The Beef and Lamb representative (James Bailey) proposed an alternative compromise approach at a CSG meeting in May 2016, whereby lower leaching land use would be provided with a lower set limit, to allow some flexibility within a low cap. This went to a CSG vote and was turned down by a narrow margin.

6.13 After discussion with my sector, at the final voting meeting on 7 July 2016 I voted against rule 3.11.5.3, along with 5 other CSG members.

6.14 I attach as **Appendix SS 2**: Collaborative Stakeholder Group Voting on PC1, 7 June 2016. Due to changes during the final drafting process the rule numbers have changed from that at the time of voting:

- Rule 3.11.5.3 equates to Rule 5 in the voting record
- Rule 3.11.5.7 equates to Rule 2a in the voting record.

6.15 My reasoning for the voting decisions at the time, is partially provided on page 11 of the voting record. As part of that reasoning was omitted from the WRC document, I have attached the full document I provided to them at the time as a record of my voting and reasoning, in **Appendix SS 3**.

6.16 In summary my experience of the CSG process is that:

- Key rules included within PC1 that set the grandparenting approach were not unanimously agreed and were developed, finalised and ultimately adopted under extreme time pressure.
- Many of the rules and approaches came down to votes, both of the CSG and within subgroups. At this point the relative numbers of primary sector representatives had a clear bearing on the outcome.
- As I expressed during CSG meetings, I do not consider that the final rule set reflected earlier discussions and agreements with the CSG (in relation to grandparenting and allocation) or were consistent with our agreed Policy Selection Criteria.

Sally Strang

From: Sally Strang
Sent: Monday, 2 May 2016 3:58 p.m.
To: helenr@clearnet.co.nz
Subject: Re: Redrafted Brief on learnings to date

Hi Helen,

Just following up from the issues that we discussed today and in particular the new addition to clause (ii) of rule 5 (3.11.1.6) re ensuring the loss of nitrogen from a property does not increase above the N reference point. As I think I made clear, I am opposed to such a rule on the basis that it penalises early adopters and effectively reinforces a prevailing view in rural Waikato that the only way to preserve land use options is to stick to high leaching activities. This can happen in numerous ways when deciding between land uses (dairy, dairy grazing, growing silage, cropping etc) that would not appear to be deliberately polluting behaviour and will not be picked up by Farm Environment Plans. To my mind the only way that regulation will encourage farmers to make choices that result in the lowest leaching is if high leaching creates cost/higher regulation and low leaching results in less cost and an easier regulatory ride (ideally permitted). Having permitted rules for low leaching land uses, and requirement for the top 75% to reduce, are both steps in the right direction. But this new clause covering a large proportion of farmers sitting between those two extremes appears to be heading in the wrong direction (in my view).

At the meeting today you said that this approach has been agreed by the CSG and therefore was not open for discussion. However on reflection I am wondering if that is actually the case. From what Trish has told me, I was of the understanding that the only thing that had been agreed in the grand-parenting space was for a 10 year moratorium on land use change, on the condition that this would transition in to a fairer allocation based on land use capability at the end of the ten year period. Trish made no mention of locking properties to their current leaching rates in the interim. I have checked all the versions of the rules I have received and the first mention I can see on that concept is in the notes from the Farm Environment Plan subgroup in our 28th April meeting papers - noting that at that stage it said 'hold and decrease' whereas today's version appears to have been changed to just hold. I don't recall any specific discussion about this from the 28th April meeting - my recollection is it was deferred back to the subgroups to finalise the rule set and bring it back to the CSG.

Given this small addition is another significant step toward a full grand-parenting approach (arguably further undermining the agreement to transition to a fairer regime) I personally think it warrants clear discussion rather than being included in the rules by a subgroup process without being open for discussion. Obviously I have not been involved for long, so possibly discussions have taken place I am not aware of. If it has been discussed and agreed by the CSG then obviously that must stand. If so I would appreciate if you could point me to the CSG meeting minutes so I can understand the context of that agreement.

Regards
Sally

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Collaborative Stakeholder Group voting on Plan Change 1, 7 June 2016

CSG members present for voting:	Dr Gwyneth Verkerk (Community), Brian Hanna (Community), Jason Sebastian (Community), Matt Makgill (Community), Evelyn Forrest (Community), James Bailey (Sheep & Beef), James Houghton (Rural Advocacy), Phil Journeaux (Rural Professionals), Chris Keenan (Horticulture), Weo Maag (Maori Interests), Alamoti Te Pou (Maori Interests), Dr Ruth Bartlett (Industry), Dr Rick Pridmore (Dairy), George Moss (Dairy), Al Fleming (Environment/NGOs), Sally Davis (Local Government), Stephen Colson (Energy).
CSG members absent but their delegate was present for voting:	<ul style="list-style-type: none"> Michelle Archer (Environment/NGOs) Alastair Calder (Tourism & Recreation). Apologies received – overseas on day of voting meeting. James Houghton (Rural Advocacy – absent for part of the voting day)
CSG members absent resulting in no vote for their sector:	<ul style="list-style-type: none"> Gina Rangī (Maori Interests) Mark Bourne (Water Supply Takes - delegate). Apologies were received. Absent due to unavoidable work commitments. Liz Stolwyk (Community). Apologies were received. Absent due to unavoidable work commitments. Gayle Leaf (Community)
Delegates present:	<ul style="list-style-type: none"> Graeme Gleeson (Sheep & Beef) Sally Strang (Forestry) Sally Millar (Rural Advocacy) Don Scarlett (Tourism & Recreation) from 12.30pm-2.45pm Garth Wilcox (Horticulture)
Delegates attending and voting on behalf of members:	<ul style="list-style-type: none"> Dr Dave Campbell for Michelle Archer (Environment/NGOs) from 11.30am due to unavoidable work commitments. Don Scarlett for Alastair Calder (Tourism & Recreation) from 12.30pm to 2.45pm. Apologies received - limited availability due to work commitments Sally Strang (Forestry) Sally Millar for James Houghton (Rural Advocacy). For part of the day that CSG member was unavailable.
Delegates absent (voting not affected as member present):	Tim Harty (Local Government), Tim McKenzie (Energy), Elizabeth Aveyard (Industry), Charlotte Rutherford (Dairy), Jim Crawford (Environment/NGOs)

Background sections		Moved	Seconded	Number of Objections	Specific objections (names)	Objections (reasons)	Standing aside	Carried	Rationale
	Background and explanation	S Davis (Local Government)	C Keenan (Horticulture)	2	<ul style="list-style-type: none"> J Bailey (Sheep & Beef) S Strang (Forestry) 	<ul style="list-style-type: none"> J Bailey (Sheep & Beef) - objected to the property scale, NRP S Strang (Forestry) – objected to the property scale, NRP 	No	Yes	<ul style="list-style-type: none"> River iwi suggested amendments with adjustments (#8405736) – moved – S Davis (Local Govt), Seconded – C Keenan (Hort). Objection - A Fleming (Environ/NGO) - in regards to the 80 year timeframe. Environment sector wants to do peer review of model to see if 80 years is a reasonable timeframe or whether it should be a shorter period. This should relate to whole plan change. (CARRIED) Delete words in brackets on land suitability. Moved – G Moss (Dairy) Seconded – C Keenan (Hort). (CARRIED UNANIMOUS) Environment/NGO sector – questioned if NRP is enforceable in the first 10 years, CSG agreed it was Amendments agreed to - see track change document # 7899086 Amendments agreed to - see track change document #7899086
	Values and uses for the Waikato and Waipa rivers	R Bartlett (Industry)	P Journeaux (Rural Professionals)				No	Unanimous	
Objectives		Moved	Seconded	Objections (no.)	Objections (names)	Objections (reasons)	Standing aside	Carried	Rationale
1	Long-term restoration and protection of water quality for each sub-catchment and Freshwater Management Unit	G Moss (Dairy)	C Keenan (Horticulture)	2	<ul style="list-style-type: none"> J Bailey (Sheep & Beef) A Fleming (Environ/NGO) 	<ul style="list-style-type: none"> J Bailey (Sheep & Beef) - the Vision & Strategy is not achievable according to TLG (E.Coli) and that 1863 would have not achieved the levels of E.Coli. Recommendation to assess the E.coli, pathogen relationship and provide more realistic definition of the word swimmable. (see Attachment 1 for more information) A Fleming (Environ/NGO) - in regards to the 80 year timeframe. Environment sector wants to do peer review of model to see if 80 years is a reasonable time or whether it should be a shorter period. 		Yes	<ul style="list-style-type: none"> There was a discussion around the reality of achieving the V&S particularly for E.Coli (noted the NPSFM requires E.Coli to be measured). Discussion about where in the document it is appropriate to use the words microbial pathogens. Agreed to change word E.coli to microbial pathogens throughout the plan change document because the scope is about managing microbial pathogens (E.coli is the measurement). See track change document #7897902. Noted the science will evolve so the CSG may wish to recommend further targeted investigations outside the plan change for future plan changes

Attachment SS 2

2	Social, economic and cultural wellbeing is maintained in the long term	S Colson (Energy)	S Strang (Forestry)					Unanimous	
3	Short-term improvements in water quality in the first stage of restoration and protection of water quality for each sub-catchment and Freshwater Management Unit	R Pridmore (Dairy)	S Davis (Local Government)					Unanimous	<ul style="list-style-type: none"> Amendments agreed to - see track change document #7899086
4	People and community resilience	G Moss (Dairy)	J Houghton (Rural Advocacy)					Unanimous	
5	Mana Tangata – protecting and restoring tangata whenua values	J Sebastian (Community)	A Te Pou (Maori Interests)					Unanimous	
6	Whangamarino wetland	R Bartlett (Industry)	E Forrest (Community)					Unanimous	<ul style="list-style-type: none"> D Campbell (Environ/NGO) Proposes to use the words in the V&S (change enhance to protect). Protect is the sense we're stopping further reduction. Protect in the short term and restore in the long term. It is about ensuring the most sensitive eco-system is protected Discussion on relationships of protection and restoration. Regardless of the management of the catchment some sediment will continue to enter the wetland. N,P, microbial pathogen, sediment reduced in the short term to make long term progress on protection and restoration (this would reduce the impact of a flood event) Agreement to replace 'manage' with 'reduce' Amendments agreed to - see track change document #7899086
All	Principal reasons for adopting Objectives	D Campbell (Environ/NGO)	R Pridmore (Dairy)					Unanimous	<ul style="list-style-type: none"> Amendments agreed to - see track change document #7899086
Policies		Moved	Seconded	Objections (no.)	Objections (names)	Objections (reasons)	Standing aside	Carried	Rationale
1	Manage diffuse discharges of nitrogen, phosphorus, sediment and E.coli	G Moss (Dairy)	D Scarlet (Tourism & Recreation)					Unanimous	<ul style="list-style-type: none"> Concern noted on using the word 'avoid' as a stand-alone term. Do we consider any activity that breaches that requirement is a prohibited activity? In RMA, would use 'avoid, remedy or mitigate'. Staff noted this is one of the top priority wording issues for legal review, and will ask legal to suggest other words that are just as robust. <ul style="list-style-type: none"> CSG interested in whether there is a legal distinction that can be made at a sub-catchment or FMU level vs applying to a particular site or property. The CSG wants the policy to be directing the whole position of what we're attempting to achieve so this makes it difficult (hold and reduce N). Environment/NGO - supports keeping the word 'avoid' and is uncomfortable with remedy or mitigate being added. Need to consider that the load to come will cause an increase so need to consider carefully this policy (can we add in clause 'except when big load to come') Maintain 'avoid' with legal advice to come Amendments agreed to, see track change document #7899086.
2	Tailored approach to reducing diffuse discharges from farming activities	S Strang (Forestry)	C Keenan (Horticulture)					Unanimous	<ul style="list-style-type: none"> Amendments agreed to, see track change document #7899086.
3	Tailored approach to reducing diffuse discharges from commercial vegetable production systems	C Keenan (Horticulture)	J Houghton (Rural Advocacy)	1	<ul style="list-style-type: none"> A Fleming (Environ/NGO) 	<ul style="list-style-type: none"> A Fleming (Environ/NGO) consider there should be a target for all four contaminants (Policy 3d) 		Yes	<ul style="list-style-type: none"> C Keenan (Hort) –concern over having a policy that doesn't recognise the positive benefits provided by a certified industry scheme. Would like to include this in in some way. Council should be able to decline someone not in an industry scheme should they wish to because they will know someone will implement the rules when they are part of a scheme. Being a part of an industry scheme provides a far greater assurance for Council. Suggest adding a bullet that says 'recognition of the benefit provided by being part of a certified industry scheme'. Following discussion it was agreed that this did not need to be done as captured under Policy 2

Attachment SS 2

									<p>Discussion on 3 (d)</p> <ul style="list-style-type: none"> • G Moss (Dairy), question on whether it means 10 per cent of each of these or across the 4 contaminants • Noted that for Policy 3d, the intent is to achieve a 10% decrease across the sector. • CSG informally voted on this, the ENV/NGO (A Fleming) and Sheep & Beef (J Bailey) sector objected. ENV/NGO considered there should be a target for all four contaminants, whereas Sheep & Beef preferred not to put a 10% target on each contaminant as it would adversely impact those that have already taken action to reduce. • For Policy 3d, Sheep & Beef representative (J Bailey), formally requested that the same considerations for flexibility be applied to low N emitters as it is for the horticulture sector, across the four contaminants. Sheep & Beef noted that the concept of rotation in horticulture is not dissimilar to the sector's request for flexibility in Nitrogen for low nitrogen emitters. A 10 per cent reduction based on expert assessment is difficult for this sector as sheep and beef reductions in N are not captured by Overseer. • The Sheep & Beef sector as a whole will be making significant reductions in N through mitigations that will not be recognised by overseer. Individual farmers at a property level, cannot commit to set percentages of reductions in Nitrogen as some farmers are already operating very low N loss systems and focused reductions on this particular contaminant based on overseer outputs would be impractical and contrary to the CSG's policy selection criteria. The Sheep & Beef sector also preferred not to put a 10% target on each contaminant as it would adversely impact those that have already taken action to reduce. • <i>Amendments agreed to, see track change document #7899086.</i>
4	Enabling low risk activities to continue or to be established	R Pridmore (Dairy)	C Keenan (Horticulture)					Unanimous	
5	Staged approach	Sally Davis (Local Government)	W Maag (Maori Interests)					Unanimous	
6	Restricting land use change	C Keenan (Horticulture)	A Te Pou (Maori Interests)	1	A Fleming (Environ/NGO)	<ul style="list-style-type: none"> • A Fleming (Environ/NGO) - sector view is that it should be a prohibited activity, and not a non-complying activity 		Yes	
7	Preparing for allocation in the future	R Pridmore (Dairy)	P Journeaux (Rural Prof)	4	<ul style="list-style-type: none"> • C Keenan (Horticulture), objections to removal of b • J Houghton (Rural Advocacy), objection to b • S Strang (Forestry), objection to b and d • A Fleming (Environ/NGO), objection to d 	<ul style="list-style-type: none"> • C Keenan (Horticulture) objects to removal of b, supports b as it was, to support low scale and high intensity thresholds and other policies. • J Houghton (Rural Advocacy) objection to b, wanted reflection of social and economic values • S Strang (Forestry) objection to b and d on the basis of the objectives, policies and methods in the plan change have been set up to provide for policy of staging to minimise social disruption and then a policy to move to land suitability, clauses b and d cut across that. Requested the full definition of land suitability as defined in the TLG paper dated 29/05/16). (see Attachment 2 for more information) • A Fleming (Environ/NGO) objection to 'd' as per Forestry commentary above. 		Yes	<ul style="list-style-type: none"> • Noted clause (b) was about recognising other things like home gardening, and about growing and shrinking and employment options. • Agreement to change the advisory note to a footnote. • <i>Amendments agreed to, see track change document #7899086.</i>
8	Prioritised implementation	S Colson (Energy)	C Keenan (Horticulture)					Unanimous	
9	Sub-catchment and edge of field mitigation planning, co-ordination and funding	J Houghton (Rural Advocacy)	S Davis (Local Government)					Unanimous	<ul style="list-style-type: none"> • The intent is to encourage adoption of these mitigations noting a single land owner would be unlikely to put in a larger scale edge of field mitigation.

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									<ul style="list-style-type: none"> • Amendments agreed to, see track change document #7899086. • A Fleming (ENV/NGO) noted sector concerns regarding consent durations • Noted the RPS doesn't just talk about non-point source discharges. If just defined as being about non-point source discharges then this could send a signal about land use planning. There are other regionally significant industries. • Noted this was discussed last week and voted on.
10	Provide for Point Source Discharges of Regional Significance <i>Discussion and voting noted here took place at CSG28 on 30/31 May DM # 6537208</i>	S Davis (Local Government)	S Strang (Forestry)					Unanimous	
11	Application of Best Practicable Option and Mitigation or Offset of Effects to Point Source Discharges	S Millar (Rural Advocacy)	R Pridmore (Dairy)	2	<ul style="list-style-type: none"> • C Keenan (Horticulture) • P Journeaux (Rural Professionals) 	<ul style="list-style-type: none"> • C Keenan (Horticulture) - general objection to inability to use offsets for diffuse discharges • P Journeaux (Rural Professionals) - general objection to inability to use offsets for diffuse discharges 	G Moss (Dairy) Policy would be more beneficial to the river and have less community cost if it was applicable to all sources of discharge and could facilitate land use change backwards (reforestation)	Yes	<ul style="list-style-type: none"> • Discussion on application of offsets and whether it should be applied equally across all sectors
12	Additional Considerations for Point Source Discharges in Relation to Water Quality Targets	S Colson (Energy)	R Pridmore (Dairy)					Unanimous	
13	Point Sources Consent Duration	S Davis (Local Government)	W Maag (Maori Interests)	1	P Journeaux (Rural Professionals)	<ul style="list-style-type: none"> • P Journeaux (Rural Professionals)– consent durations not consistent across all sectors 	A Fleming (Environ/NGO)	Yes	<ul style="list-style-type: none"> • A Fleming (Environ/NGO) would like to add 'and implement new technologies'. Would like to include a mechanism to somehow review current technologies and implement if applicable i.e. if new technologies arrive after the consent is granted. • S Davis (Local Govt), suggests this is covered in Policy 12 which says have to comply with policies 11 and 12 before considering 13
14	Lakes Freshwater Management Units	W Maag (Maori Interests)	R Pridmore (Dairy)	1	A Fleming (Environ/NGO)	<ul style="list-style-type: none"> • A Fleming (Environ/NGO) – implementation does not send a strong enough message for actions to occur. In regards to the 80 year timeframe. Environment sector wants to do peer review of model to see if 80 years is a reasonable time or whether it should be a shorter period. 		Yes	<ul style="list-style-type: none"> • A Fleming (Environ/NGO) notes catchment plans are good but don't necessarily result in actions being implemented. Proposed that some lakes be identified to have a lake restoration plan with actions to achieve it. • Amendments agreed to, see track change document #7899086.
15	Whangamarino wetland	G Moss (Dairy)	S Colson (Energy)					Unanimous	<ul style="list-style-type: none"> • A Fleming (Environ/NGO) wanted to see a specified number of lake plans implemented • Amendments agreed to, see track change document #7899086.
16	Flexibility for development of land returned under Te Tiriti o Waitangi settlements and multiple owned Māori land	W Maag (Maori Interests)	G Moss (Dairy)	1	A Fleming (Environ/NGO)	<ul style="list-style-type: none"> • A Fleming (Environ/NGO) in regards to the 80 year timeframe. Environment sector wants to do peer review of model to see if 80 years is a reasonable time or whether it should be a shorter period. Land use change should be a prohibited activity 		Yes	<ul style="list-style-type: none"> • Amendments agreed to, see track change document #7899086.
17	Considering the wider context of the Vision and Strategy	J Sebastian (Community)	S Strang (Forestry)					Unanimous	<ul style="list-style-type: none"> • Note that eco-system services are something the CSG want addressed and covered in the CSG recommendations outside of the Plan Change
Implementation methods		Moved	Seconded	Objections (no.)	Objections (names)	Objections (reasons)	Standing aside	Carried	Rationale
3.11.4.1	Working with others	W Maag (Maori Interests)	J Sebastian (Community)					Unanimous	
3.11.4.2	Certified Industry scheme								<ul style="list-style-type: none"> • C Keenan (Hort) concern about the robustness of the Industry schemes • Amendments agreed to, see track change document #7899086.
3.11.4.3	Farm Environment Plans								<ul style="list-style-type: none"> • A Fleming (Environ/NGO), in schedule it would be helpful to have a number of standards required (e.g. for stock crossings). • Amendments agreed to, see track change document #7899086.
3.11.4.4	Lakes and Whangamarino Wetland								<ul style="list-style-type: none"> • Amendments agreed to, see track change document #7899086.

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3.11.4.5	Sub-catchment scale planning								
3.11.4.6	Funding and implementation								
3.11.4.7	Information needs to support any future allocation								
3.11.4.8	Development of future plan change								
3.11.4.9	Managing the effects of urban development								
3.11.4.10	Accounting system and monitoring plan								<ul style="list-style-type: none"> • C Keenan (Hort), need to build a framework to allow for the assessment of the effect of an application against the limit. • This takes it out of the hands of the accounting framework – it still should be a decision made by a person and only based on what information the accounting framework systems provides • <i>Amendments agreed to, see track change document #7899086.</i>
3.11.4.11	Monitoring and evaluation of the implementation of Chapter 3.11								
Rules		Moved	Seconded	Objections (no.)	Objections (names)	Objections (reasons)	Standing aside	Carried	Rationale
0	Permitted activity rule – registration	W Maag (Maori Interests)	R Pridmore (Dairy)					Unanimous	<ul style="list-style-type: none"> • Discussion on what signal will a new owner be given that they aren't compliant with this rule and haven't registered with Council (e.g. due diligence - LIM report or Real Estate agent). • P Journeaux (Rural Prof). Concern regarding the date. There are approximately 10,000 properties which will have to register and only 6 months to do this. Question whether this is too optimistic. • Discussion around the logical sequencing of the rules and noted there will be changes. • <i>Amendments agreed to, see track change document #7897902.</i>
1	Permitted activity rule – Stock exclusion	G Moss (Dairy)	P Journeaux (Rural Professionals)	2	<ul style="list-style-type: none"> • A Fleming (Environ/NGO) • J Bailey (Sheep & Beef) 	<ul style="list-style-type: none"> • A Fleming (Environ/NGO) concerns regarding the effect of sheep in waterways • J Bailey (Sheep & Beef) timeframes and lack of flexibility and being able to pay for it (too fast for the sector). (see Attachment 1) 	J Sebastian (Community) concern around the approach to tranches and dates for tranches delaying stock exclusion	Yes	<ul style="list-style-type: none"> • Noted that every property will have to exclude stock from perennial waterways. • <i>Amendments agreed to, see track change document #7897902.</i>
2a	Non complying activity interim rule – Land Use Change	G Moss (Dairy)	J Sebastian (Community)	4	<ul style="list-style-type: none"> • J Bailey (Sheep & Beef) • S Strang (Forestry) • A Fleming (Environ/NGO) • D Campbell (Environ/NGO) 	<ul style="list-style-type: none"> • J Bailey (Sheep & Beef) – implications of grandparenting (see Attachment 1 for more information) • S Strang (Forestry) – implications that holding a N reference point without flexibility amounts to grandparenting (see Attachment 2 for more information) • A Fleming (Environ/NGO) – sector believes it should be a prohibited activity instead on non-complying • D Campbell (Environ/NGO) – concern that the cumulative impact if multiple 4.1 hectare areas were intensified under this rule 		Yes	<ul style="list-style-type: none"> • Discussed the two-year window and CSG agreed not to put this back in the Plan Change. • This rule will apply as of the date of notification and only regulates land use change. • 2026 was the referred date to clearly signal the transition period is coming to a close. • J Bailey (Sheep & Beef) - objects to this rule because the Plan Change was developed on the proviso that there would be no grandparenting. However, holding a N reference point without flexibility amounts to grandparenting. • <i>Amendments agreed to, see track change document #7897902.</i>
2b	Controlled Activity Rule – Existing commercial vegetable production	C Keenan (Horticulture)	M Makgill (Community)					Unanimous	<ul style="list-style-type: none"> • C Keenan (Hort) - the council needs to have the ability to decline consent applications from growers that are not under an industry scheme. Those not in an industry scheme to come under restricted discretionary activity (not a non-complying activity). • C Keenan (Hort) – industry scheme gives greater rigour due to training, auditing and science behind the scheme. He agreed to provide information to WRC to support the section 32 analysis. • A consent to grow vegetables can be transferred by notifying WRC of this change • <i>Amendments agreed to, see track change document #7897902</i>

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3	Permitted Activity Rule – Small and low intensity Farming Enterprises	R Pridmore (Dairy)	G Moss (Dairy)					Unanimous	<ul style="list-style-type: none"> Noted all properties with perennial waterways have to exclude stock <i>Amendments agreed to, see track change document #7897902</i>
4	Permitted Activity Rule – Low risk Farming Enterprises	S Colson (Energy)	C Keenan (Horticulture)	1	J Bailey (Sheep & Beef)	<ul style="list-style-type: none"> J Bailey (Sheep & Beef) - on basis that there should be another permitted activity rule for low N emitters with a farm environment plan (see Attachment 1 for more information) 		Yes	<ul style="list-style-type: none"> It was noted that minor wording changes may be required to comply with the RMA. Staff undertook to do this. J Bailey (Sheep & Beef) – doesn't consider there should be a slope based assessment for grazing and suggests delete '15 degrees or grazed' and include have a farm plan to provide flexibility. <i>Amendments agreed to, see track change document #7897902</i>
5	Controlled Activity Rule – Farming activities with Farm Environment Plan	C Keenan (Horticulture)	Phil Journeaux (Rural Professionals)	6	<ul style="list-style-type: none"> J Bailey (Sheep & Beef) A Fleming (Environ/NGO) S Strang (Forestry) D Campbell (Environ/NGO) A Te Pou (Maori Interests) E Forrest (Community) 	<ul style="list-style-type: none"> J Bailey (Sheep & Beef) - propose a threshold system because need some flexibility and it's effectively grandparenting. Requests parity with horticulture sector and lack of clarity of the 75th percentile rule (see Attachment 1 for more information) A Fleming (Environ/NGO) – wanted specified N target percentage reductions for those landowners under 75th percentile. S Strang (Forestry) – oppose clause iii. Restricts flexibility. A hold and reduce approach is effectively grandparenting. No confidence of any real intent to transition to a fairer approach. Oppose the 75th percentile approach. Gives message that those operating just below have done enough. Penalises those early adopters and low emitters. No policy incentive to improve (see Attachment 2 for more information) D Campbell (Environ/NGO) – wanted specified N target percentage reductions for those landowners under 75th percentile. A Te Pou (Maori Interests) - restricts flexibility and is effectively grandparenting E Forrest (Community) - restricts flexibility and is effectively grandparenting 	W Maag (Maori Interests) Restricts flexibility and is effectively grandparenting – wants to see the final product regarding how the 75 th percentile is going to work (also concerned about tables and benchmarking concerns)	Yes	<ul style="list-style-type: none"> J Bailey (Sheep & Beef) - some mitigations are not captured by Overseer for the horticulture sector he then would like the same considerations (parity) applied to Sheep and Beef sector. Noted this rule is in effect until the next plan change. Noted after today that a legal and planning check will occur and section 32 will be written. The documents will come back to CSG30 in July. <i>Amendments agreed to, see track change document #7897902</i>
6	Permitted Activity Rule – Farming activities with Farm Environment Plan under an Certified Industry Scheme	G Moss (Dairy)	P Journeaux (Rural Professionals)	4	<ul style="list-style-type: none"> A Fleming (Environ/NGO) C Keenan (Horticulture) J Bailey (Sheep & Beef) S Strang (Forestry) 	<ul style="list-style-type: none"> A Fleming (Environ/NGO) - should be a controlled activity C Keenan (Horticulture) - should be a controlled activity J Bailey (Sheep & Beef) - should be a controlled activity and not convinced of how the 75th percentile is going to be managed down through this process. (see Attachment 1 for more information) S Strang (Forestry) - should be a controlled activity and still unsure how 75th percentile is going to be managed down through this process (see Attachment 2 for more information) 	W Maag (Maori Interests)	Yes	<ul style="list-style-type: none"> In reference to Schedule 2. Rule 6 is effectively permitting the use of the land provided the land/farmer are in involved in an industry scheme. In a similar way council has reserved its control under rule 5, in rule 6 it effectively transfers this control to the industry scheme. Need to have an agreement to ensure the industry will make sure the same things are delivered (see Schedule 2). A Fleming (Environ/NGO) – questioned whether this should be a permitted or controlled activity. Noted there are a range of views in the environment sector. <i>Amendments agreed to, see track change document #7897902</i> <p>Note that post voting on rule 6 that the definition of a Certified Farm Environment Planner was discussed and agreed (no separate vote).</p> <ul style="list-style-type: none"> Agreed that the completion of advanced training in nutrient management was necessary. It was noted that most people in the Overseer field have done the training through Massey University (to intermediate level). It is important to set a benchmark for certified farm environment planners which includes knowing how to use Overseer. P Journeaux (Rural Prof) noted that most current advisors would struggle to meet these requirements. Sediment and microbes removed as the current available courses do not cover those. <i>Amendments agreed to, see track change document #7897902</i>
7	Permitted Activity Rule – Nitrogen Reference Point	P Journeaux (Rural Professionals)	R Bartlett (Industry)					Unanimous	<ul style="list-style-type: none"> Discussion over naming the version of Overseer in the Plan Change. It was agreed that the N reference points will use the version on the date of 31 March 2019.

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									<ul style="list-style-type: none"> CSG agreed to change and use the 2014/15 and 2015/16 financial years. This provides for two full years of annual records. Discussion why water use records for irrigation would be averaged over at least three years or longer. This is because of variations in farm requirements – more robust to get longer term data for irrigation. Question around missing data and leniency. Concern it should be dis-incentivised. Noted where there is missing data a default will be used for inputs into the Overseer model (around 75 percent of normal FMU values – this is the same wording in Taupo variation (variation 5) and is considered very restrictive. <i>Amendments agreed to, see track change document #7897902</i>
8	Deletion of Rule 8	R Pridmore (Dairy)	R Bartlett (Industry)					Unanimous	<ul style="list-style-type: none"> Covered this morning in policy discussion
9	Restricted Discretionary activity rule – the use of land for farming activities	R Pridmore (Dairy)	P Journeaux (Rural Professionals)	2	<ul style="list-style-type: none"> C Keenan (Horticulture) A Fleming (Environ/NGO) 	<ul style="list-style-type: none"> C Keenan (Horticulture) - will revise to a yes if it can be proven we don't require more specific references to objectives 1 and 3. A Fleming (Environ/NGO) - will revise to a yes if it can be proven we don't require more specific references to objectives 1 and 3. 	S Colson (Energy) Will wait for legal advice.	Yes	<ul style="list-style-type: none"> Discussion regarding whether the rule needs further reference to the Vision and Strategy and objectives 1 and 3. Staff to seek legal comment on this matter. <i>Amendments agreed to, see track change document #7897902</i>
Schedule s	Schedule 1 – Requirements for Farm Environment Plans	C Keenan (Horticulture)	R Pridmore (Dairy)	1	A Fleming (Environ/NGO)	<ul style="list-style-type: none"> A Fleming (Environ/NGO) - biodiversity is not included and no Olsen P levels are specified in the schedule. 		Yes	<ul style="list-style-type: none"> A Fleming (Environ/NGO) would like biodiversity added to the Schedule. It was noted this is in Policy 17. Question regarding drains. Staff noted drains are to be fenced if they continually hold water. This information will be captured through farm plans. Noted review needed of Table 11.1 and 11.2 to capture sub-catchment targets and current and future states. <i>Amendments agreed to, see track change document #7897902</i>
	Schedule 2 – Approval of industry schemes	S Davis (Local Government)	C Keenan (Horticulture)					Unanimous	<ul style="list-style-type: none"> Discussion on the importance of third party auditing of industry schemes and the schemes being made available to the public (for transparency). <i>Amendments agreed to, see track change document #7897902</i>
	Tables There was no voting on the tables. The acting CSG co-chair (B Hanna) noted that the tables show results of modelling.								<ul style="list-style-type: none"> Narrative is needed to support the tables – some sites already meet the desired targets therefore no change is required. A Fleming(Environ/NGO) noted there hasn't be sufficient time for his sector to consider the limits Refer to discussion under schedule one for revisions proposed to tables 11.1 and 11.2.
	Glossary	M Makgill (Community)	P Journeaux (Rural Professionals)					Unanimous	<ul style="list-style-type: none"> <i>Amendments agreed to, see track change document #7897902</i>

Final recommendation to support plan change 1 – final sign off

Recommendation

That the CSG recommends to the HRWO committee that the WRC plan change 1 – Waikato and Waipa river catchments as approved by CSG on 7 June 2016 is notified to the public under the RMA schedule 1 process with amendments and objections as noted on 7 June 2016.

Moved S Davis (Local Govt), seconded J Sebastian (Community)

Objections J Bailey (Sheep and Beef). Reasons documented in DM # 7890225 (see Attachment 1 for more information)

Carried

Discussion

- A Fleming (Environ/NGO) noted a number of issues relating to the table and attributes e.g. clarity should be 1.6m but the CSG landed on 1m. There should be environmental consumption tax, however it was noted this is outside the scope of the plan change.

See Appendix one for previous CSG resolutions/decisions referred to the decision making framework

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Attachment 1: Formal objections from J Bailey, Sheep and Beef sector representative

7 June 2016, CSG 29 Don Rowlands Centre, Karapiro
On behalf of the Sheep and Beef Sector

Dear Collaborative Stakeholder Group, Facilitator, Co-Chairs and members of the wider HRWO process,

Re: Consideration to the whole policy package.

Throughout this process I have endeavoured to bring a positive and collaborative Sheep and Beef perspective to the CSG table. Outside of the inflexible approach to Nitrogen I believe the work we have developed together will place our sector well to achieve our contribution to the steps towards the vision and strategy. However, I have expressed on several occasions throughout this process that the whole policy mix needs to be taken into consideration. And more recently I have expressed serious concern that parts of the policy package seem to be disconnected to the intent of the CSG. The primary basis of this is the management of Nitrogen and the grandparenting approach that the CSG has now taken.

Lack of flexibility on Nitrogen leaching from Nitrogen Reference Point as per overseer.

The lack of flexibility for Low N loss systems will affect the ability for our farmers to achieve the comprehensive body of work that is proposed for our sectors contribution towards meeting the vision and strategy. The CSG has indicated through its discussions on the 31 May 2016 at Karapiro that there is no appetite to consider flexibility on N as an option. With the greatest respect and understanding to what the CSG is trying to achieve, the Sheep and Beef Sector will not be able to accept 'no flexibility' for low N loss systems. Our sectors farmers often rely on a certain amount of flexibility to be able to adjust our systems as markets change to remain profitable.

This policy imposes practical and profitability restrictions through lack of flexibility for the low N loss farming systems in our sector. The need for flexibility is four fold in our view

1. To reflect model error and most importantly to recognize that sheep and beef farms will fluctuate in N loss between years, through stock class and planned capital development
2. To give confidence that these farms can invest capital in long term mitigations such as stock exclusion, associated water reticulation and subdivision that may result in slightly increased modelled. N losses
3. A transition to a future state where these properties will be allocated an additional amount of N loss above their current discharge
4. A pragmatic approach to implementing the plan change where the policy focus is on properties that are creating the most problem for N

Other catchments in New Zealand have afforded flexibility to low N loss systems including Rotorua, Otago, Hawkes Bay, and Canterbury with 15kg/N/ha/yr being the lowest threshold used apart from where Natural Capital has been the basis of an allocation which the Sheep and Beef sector has also advocated for. These communities, and their councils have recognized and acknowledged that it is impractical to adopt strict controls on farmers, who are already discharging low amounts of N, because;

- Modelled mitigations are very limited without retiring land
- Modelling uncertainty puts any changes made within the bounds of model error
- The environmental cost benefit is limited
- There are no further restrictions that could be placed on those farmers to restrict N loss through a consent process
- They will have better buy in from farmers concentrating on investing in on farm practice that will actually make a difference to the environment

Future Allocation Uncertainty

In addition, while future allocation has been discussed in this plan change it has become apparent through discussions at CSG and with WRC staff that there is no guarantee of what will be the basis of allocation in the next plan change.

Our sector has advocated strongly against a strict grand parenting regime and this is consistent with CSG's discussions around allocation from 2015. We acknowledge existing use and the need for transition for the high N loss systems but placing the same restrictions on Low N loss systems is disproportionate and not concurrent with the CSG's selection criteria.

WRCP1 currently demonstrates Inconsistencies with the CSG Policy Selection Criteria:

These inconsistencies of the policy are most apparent in the following criteria (which I have commented on in italics) and these are not limited to...

Allows For Flexibility and Intergenerational Land Use

Does the policy:

- Encourage Positive actions being taken? (*No, it now actually disincentives this*)
- Take account of complexity and difference between farming systems and farm enterprises? (*No, ignores the complexities and differences of low N loss farms systems particularly in the dry stock sector*)

Acceptable to the wider community

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Does the policy:

- Achieve sound principles of allocation? (*WRPCPC1 is now strict grandparenting something the CSG said they did not want to do*)
- Recognise efforts already made? (*No, those who have made reductions will now be disadvantaged*)
- Exhibits proportionality (Those contributing to the problem contribute to the solution) (*No, incentivises farmers to have higher N leaching*)

Optimises environmental, social and economic outcomes

Does the policy:

- Aim for cost effective solutions? (*Council and farmer resources spent on strict N restrictions on the low end of the spectrum is not a cost effective solution*)
- Provide confidence and clarity for current and future investment? (*No, if anything farms with high NRP's will be worth more!*)
- Provide realistic timeframes for change? (*No limiting profitability of low N loss systems will only slow down progress on Sed, P and e.coli*)

Formal Objection

I am raising a formal objection to the plan change on behalf of the Sheep and Beef sector. The parts of the policy package are interdependent. The strict grand parenting based management of Nitrogen and its lack of flexibility coupled with no guarantee of a more equitable future allocation system framework means that I will not be able to support many parts of the proposed plan change as it stands. Further subsequent objections to the details of the plan are described below with corresponding recommendations.

Recommendation to HRWO - Alternative Nitrogen Management Mechanism

To adopt a threshold based approach to managing Nitrogen as presented to CSG with escalating activity status attributed to escalating nitrogen thresholds which is outlined below. I must emphasize that the Sheep and Beef sector is still committed to working hard to achieve its contribution towards the Vision and Strategy.

I will make myself available to discuss alternatives further with the Healthy Rivers Wai Ora Process.

Kind regards,

James Bailey

Objections and recommendations to the details of WRPCPC1 from the Sheep and Beef Sector for CSG 29, 7th June 2016

Background and explanation wording of WRPCPC1

- Objection: Reference to properties needing to be held to a Nitrogen Reference Point (NRP). This is contrary to CSG's 2015 decision not to allocate and to avoid grand parenting.
- Recommendation: N threshold mechanism for managing Nitrogen as specified and proposed by the Sheep and Beef sector.

Objectives

Objective 1: Long-term restoration and protection of water quality.

- Objection: Vision and Strategy not achievable as 'scenario 1' E coli levels are beyond what is achievable in some areas. TLG have explained that we are aiming for lower levels than were likely to have been present in 1863.
- Recommendation: Assess E coli/pathogen relationship and provide a more realistic representation of swimmable.

Policies

Policy 7: Preparing for allocation in the future.

- Objection: The policy is repetitive and unbalanced by too many economic drivers in the principles for example "*b) An acknowledgment of activities of high economic, social and cultural importance.*" And "*d) Minimise social disruption and costs in the transition to the 'land suitability' approach.*"
- Recommendation: Delete a) as is unnecessary and is covered by d).

Rules

Rule 1: Stock Exclusion.

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- Objection: The stock exclusion mitigations in some hill country farming systems is not appropriate and the lack of flexibility on production system adjustments for Low N loss farming systems means that the ability to pay for this mitigation and associated costs, such as water reticulation, may make this approach not viable.
- Recommendation: to adopt LAWF stock exclusion recommendations or adopt threshold based N management mechanism.

Rule 4: Permitted Activity Low Risk Farming Enterprises.

- Objection: The Sheep and Beef sector does not agree that low risk farming enterprises have been appropriately captured in this rule
- Lower N leaching farm systems there will need to be monitoring and compliance systems in place to manage low risk N systems, which will be ineffective and inappropriate designation of council and farmer resources.
- Recommendation: taking out 15 degrees slope and including winter forage crops and treat as a permitted activity so long as they have done a farm plan and/or adopt threshold based N management mechanism.

Rule 5: Controlled Activity Rule – Farming activities with a FEP.

- Objection: The Sheep and Beef sector does not agree that a farming activity with a low NRP (less than 20kg/N/ha/yr) should have to maintain this loss rate within the constraints of a 5 – year rolling average fixed upon the nitrogen reference point
- Low N leaching farming systems requires a certain amount of flexibility to remain profitable.
- Recommendation: Controlled activity with ability to increase beyond NRP up to a threshold of 15kg/N/ha/yr, and a Restricted Discretionary Activity to increase NRP between 15 and 20 kg/ha/yr.
- Also recommend specifying other N thresholds with escalating activity status including max N cap to give clarity and transparency to farmers and to the process as a whole, see suggested thresholds below at end of letter.

Rules 5 and 6: 75th Percentile approach

- Objection: There is no clarity on what the 75th percentile of the Dairy sector actually is and how these top emitters will be managed down and what requirements there will be to meet this target especially when being managed through an industry scheme.
- Recommendation: Specify 75th percentile with a max Nitrogen cap threshold and also specify other thresholds as described by the N threshold mechanism of managing N.

Recommendation -Alternative Nitrogen Management Mechanism

Introduce a new N threshold approach – this is complimentary to the existing change in land use rule. These are amendments to the policies and rules to allow for transition to an allocation framework in the future without overly constraining current low N loss land use –

Note: In addition to proposed amendments it is proposed to retain the rule about land use change

In simple terms the proposed framework is set out below, with relevant amended policies and rules included below.

The discharge of Nitrogen as modelled by Overseer is

1. Controlled Activity – discharge up to 15kg with a farm plan
2. Restricted Discretionary Activity – to increase NRP between 15 – 20 kg
3. Non complying activity – Any discharge in excess of 20kgN/Ha shall not exceed its Nitrogen Reference Point
4. Prohibited Activity – no single property can exceed x kgN/Ha by 2025 (x = based on dairy 75 percentile – or an equivalent number applying to all properties irrespective of current use – may include longer transition for some properties beyond 2026)

Attachment SS 2

Attachment 2: Formal objections from S Strang, Forestry sector representative

Policy 7

The concept of minimising social disruption is a **separate** concept to natural capital (now land suitability).

There was agreement that property allocation would **move** to natural capital and the full CSG agreed that grand parenting was not favoured as the approach to allocation.

Natural capital deals with physical matters, the ability of the land and the receiving waters to deal with contaminants

The concept of minimising social disruption is distinct from such physical characteristics. Minimisation of social disruption has been dealt with in objective 2 and objective 4 and then policy 5.

By adding in the proviso of minimising social disruption and now also acknowledging high economic activities there is a mixed message, a watered down message of moving to natural capital. That is that natural capital may not happen if social disruption is not minimised or say a dairy farm's high economic investment outweighs the physical suitability of the land.

Social disruption has already been minimised by the concept of staging. Any concept that waters down the proposal of moving to natural capital is leaving the door open to grand parenting in the allocation process.

In the future minimisation of social disruption can be considered as to **the timing** of the introduction of natural capital allocations rather than being part of the concept of what amount to such an allocation method. Of course under RMA and under the V&S social, economic and cultural considerations can be legally considered but they should not be confusingly mixed into policy 7.

Forestry has consistently been opposed to grandparenting. We agreed to the interim rule stopping land use change from forestry to farming on the basis it was interim and that there would be a move to natural capital approach concerning allocations at a property level. We accept that any allocation process may well be staged over many years. This is in line with objective 2 which advised that the staged approach is to minimise social disruption. Also in line with Policy 5 which makes it clear that the staged approach is to minimise social disruption.

Objective 4 also reinforces staging is for social economic and cultural reasons. Policy 7 should be left as advising of a move to land suitability with no reference to consideration of economic, social or cultural effects.

Methods 3.11.4.7 and 3.11.4.8 provide for the information to support future allocation. There is no mention here to methods to minimise or evaluate social disruption rather the opposite.

The objectives, policies and methods have all been set up to provide for policy of staging to minimise social disruption and then a policy to move to land suitability. Clauses (b) and (d) of policy 7 cut across that.

Forestry position

Oppose Policy 7 clause (d)

Rule 2a

The agreement to rule 2a was conditional on a commitment that it was for a ten year period only, and that beyond that period there was a strong commitment to transitioning to a more equitable approach based in the long term on natural capital (now termed land use suitability). With the current rule framework of Policy 7, and in particular rule 5 incorporating a grand parenting approach, forestry has no confidence of any real intent to transition to a fairer approach. And to the contrary, much of the discussion that has taken place in relation to inclusion of a date in rule 2a and in particular the grand parenting approach in rule 5 it is becoming clear this is not the intent. This has forced the sector to question whether there is still agreement to rule 2a.

On the basis that if Policy 7 and rule 5 both indicate an intent to retain a grand parented approach forestry cannot support rule 2a, on the basis that the forest sector is fundamentally opposed to a grand parented approach.

It is our view that it is using forests as offsets for high leaching land uses, but with the offsets being taken by regulation rather than being compensated – effectively one sector bearing the cost of externalities created by another.

Forestry Position

Oppose rule 2a in its entirety.

Attachment SS 2

APPENDIX ONE: Previous resolutions/Matters referred to the CSG Decision Making Framework

CSG Decision making framework

The CSG strive for group consensus on proposals put forward for resolution. The CSG have defined consensus as “unanimous agreement”. When the CSG has discussed an issue fully and a clear proposal is put forward for resolution the proposal is tested with the group (by the independent chair) to gauge the level of agreement. The three possible responses to the question about agreement with the proposal are:

- I agree
- I stand aside (I don’t agree but I understand and can live with the proposal as it is)
- I disagree with the proposal

If, when tested, all members agree with the proposal, then a unanimous agreement is said to be achieved and the proposal is accepted. If unanimous agreement is not achieved:

1. Those who have concerns must articulate them.
2. If the concerns are shared, then the proposal may be modified to alleviate them or the concerns explained away to the concerns member’s satisfaction
3. The proposal (either original or modified) is again tested for unanimous agreement. If all members agree with the proposal then a unanimous agreement is said to be achieved and the proposal is accepted.
4. If the proposal is not agreed unanimously but there are no members who disagree, i.e. some members choose to stand aside, then an agreement is said to be achieved and the proposal is accepted.
5. If the proposal is not agreed unanimously and there is a least one member who remains in disagreement with the proposal then the group has to decide whether the level of disagreement is sufficient to warrant:
 - a. Further modifications to the current proposal
 - b. Disagreement and thus rejection of the proposal. This will result in further discussion, another potential solution and new proposal
 - c. Agreement and thus acceptance of the proposal.
 - d. Those who disagree must articulate their concerns and genuinely work with other group members to see whether these concerns can be alleviated through further modifications to the proposal, or through increased understanding as a result of more information

Those who ‘stand aside’ accept the proposal despite having reservations or concerns and share the responsibility for decision-making. The number of members who stand aside is recorded. The CSG may decide to proceed with the proposal even though there are disagreements. In this case, the identity of those disagreeing, their concerns and the reasons for these concerns are recorded. The independent chair has a key role in judging when to proceed.

Resolutions resulting from CSG13

The following resolution was made concerning Dissolved Oxygen (DO)

1. The CSG requested TLG to come back to CSG with a report on Dissolved Oxygen as an attribute related to cause and effect link with the four contaminants. Moved by Dr Ruth Bartlett (Industry), seconded by George Moss (Dairy). Agreed. While the CSG decision making framework was not used Phil Journeaux (Rural Professionals) requested it was noted that he did not agree with the request as he felt the CSG already had sufficient information as a basis for a decision.

The following resolution was made concerning the list of attributes

2. The CSG confirmed the following list of attributes:

Value	Attribute	Explanation
Human Health	<i>E.coli</i>	
	Clarity	Include with modified A-B threshold
	Cyanobacteria (planktonic)	Include in Shallow Lakes FMU only
Ecosystem Health	Phyoplankton (lakes and lake fed rivers)	
	TN	1. Apply proposed TN/TP bands at mainstem sites
	TP	2. Do not apply A-D bands on TN/TP concentrations at tributary sites

Attachment SS 2

		3. Loads of TN/TP from tributaries are accounted for in the catchment model and individual land users can still be held responsible via various policy options
	Nitrate	
	Ammonia	
Mahinga Kai	<i>E.coli</i>	
	Cyanobacteria (planktonic)	Apply as for human health (above)

Process wise the CSG decision making framework was used.

This recommendation was moved by Phil Journeaux (Rural Professionals) and seconded by Brian Hanna (Community). Al Fleming (Environment/NGO) was in disagreement and Dave Campbell (Environment/NGO delegate attending in place of member Michelle Archer) stood aside. The independent chair determined there was sufficient agreement in order to proceed.

The following resolution was passed concerning TN and TP:

3. That TN and TP in tributaries to be reconsidered as attributes once modelling results are available.
Moved by Chris Keenan (Horticulture), seconded by Brian Hanna (Community). Al Fleming (Environment/NGO) was against the proposal (see #3405803 for summary of discussion and reasons for objections). The independent chair determined there was sufficient agreement in order to proceed. Agreement.

Resolutions were made concerning Macroinvertebrate Community Index (MCI):

It was first noted that CSG sees MCI as an important indicator of ecosystem health and want to see it given weight in the wider policy process and monitoring regime.

4. That MCI be included in SOE (State of the Environment) monitoring
5. That MCI be included as part of the Integrated Assessment and Anticipated Environmental Results for Healthy Rivers Wai Ora.

It was also noted the Waikato Regional Plan review can take into account any changes in NOF from 2016 review.

Moved by Sally Davis (Local Government), seconded by Chris Keenan (Horticulture). It was resolved to use the word 'included' instead of 'considered' in point 4 above. Moved by George Moss (Dairy), seconded by Chris Keenan (Horticulture). Unanimous agreement.

Two decisions made using the decision making framework at CSG24

There were two decisions made at CSG24 (2/3 March 2016) using the decision making framework. These are outlined below.

1. That there is no separate Freshwater Management Unit (FMU) for Whangamarino wetland

Background

- The CSG decision on their preferred option for FMUs was taken to the September 2015 Healthy Rivers Wai Ora Committee
- In December 2015 a discussion began within CSG around the need to ensure protection of significant values to wetlands as required by the NPS-FM (2014).
- D Campbell (Environment/NGO delegate) put forward papers for discussion on the issue to CSG22 (28/29 January) and CSG23 (18/19 February).
- The Environment/NGO sector then proposed a separate FMU for Whangamarino wetland be created. Following extensive consideration, the following recommendations were resolved by CSG at their focus day on 26 February:
 1. CSG acknowledges that the wetland is of significance and should be recognised as such and accorded a priority in respect of addressing matters related to the four contaminants through the Healthy Rivers Wai Ora plan change process.
 2. CSG notes that while the establishment of a separate Whangamarino Wetland FMU may have merit, it is not considered appropriate to do so at this stage for the following reasons:
 - i. That no community or sector engagement has occurred on such a proposal and the CSG does not wish to place the collaborative plan development processes at risk by changing FMUs without going back out to the community for feedback;
 - ii. That further technical information is required prior to considering the establishment of a separate FMU.

Attachment SS 2

3. CSG supports in principle narrative objectives being included in the plan change and notes that a range of regulatory and non-regulatory methods are likely to be required to address the four contaminants in respect to Whangamarino Wetland.
4. CSG notes that Whangamarino should be among the higher priority sub-catchments where property plans and sub-catchment plans will occur first

At the CSG24 workshop (2/3 March) further feedback was received from the Environment/NGO sector in favour of an FMU for Whangamarino wetland (following a sector meeting the previous day). The sector remains in favour of a separate FMU.

A revised proposal with four resolutions was put forward to CSG on 3 March for consideration by the Environment/NGO delegate, D Campbell. Changes from the earlier proposal are noted in italics and underlined:

1. CSG *recognises* that the wetland *has highly significant values* and should be recognised as such and accorded a priority in respect of addressing matters related to the four contaminants through the Healthy Rivers Wai Ora plan change process.
2. CSG notes that while the *proposal to* establish a separate Whangamarino Wetland FMU *has considerable merit*, it *was* not considered appropriate to do so at this stage for the following reasons:
 - i. That no community or sector engagement has occurred on such a proposal and the CSG does not wish to place the collaborative plan development processes at risk by changing FMUs without going back out to the community for feedback;
 - ii. That further technical information is required prior to considering the establishment of a separate FMU.
3. CSG supports in principle narrative objectives being included in the plan change and notes that a range of regulatory and non-regulatory methods are likely to be required to address the four contaminants in respect to Whangamarino Wetland.
4. CSG notes that *the catchments of rivers flowing into* Whangamarino *Wetland* should be among the higher priority sub-catchments where property plans and sub-catchment plans will occur.

Process following the proposal:

- CSG discussed the 'tweaks' that had been made to the proposal between CSG workshops, going through the recommendations. It was noted that the changes made in editing were not material changes.
- Following further discussion the independent chair tested the resolution for unanimous agreement noting it would not result in the establishment of an additional FMU. The preferred pathway was to give the wetland as high a priority as possible short of it being a specific FMU. There was not unanimous agreement.
- D Campbell (Delegate Environment/NGO) indicated he would stand aside as he could not fully support recommendation 2. He noted his dedication to work on getting the wetland the best protection outside of FMU status.
- A Fleming (Environment/NGO representative) was in disagreement with resolution 2. Noted:
 - Additional sector feedback in favour of a Whangamarino Wetland FMU was received by the CSG following the initial decision on 26 February.
 - The sector strongly supported having a Whangamarino Wetland FMU

CSG Resolution:

That a separate FMU is not created for Whangamarino Wetland.

Moved T Fordyce (Forestry representative) seconded W Maag (Māori Interests representative).

Stood aside: D Campbell (Environment/NGO delegate) regarding resolution 2.

In disagreement regarding resolution 2: A Fleming (Environment/NGO representative).

Resolutions carried.

2. Decision regarding inclusion status of intermittent waterways

The decision making framework was used when the CSG considered the issue of whether to include intermittent waterways in the catchment wide rule. The proposal discussed was:

- Not to have intermittent waterways in the catchment wide rules. Do further work on this in the next 10 years (science, definitions, cost/benefit). Include via property planning approach.

In discussion the following points were noted regarding intermittent waterways:

- They are hard to define (and they need to be defined for this region); they look different in different places/regions
- In this region there is a range of intermittent waterways e.g. dry gullies in pumice that only flow occasionally
- Gains will be made by excluding stock from perennials, with no size threshold
- Fencing of intermittent waterways could impact significantly on the workability of farms with fences everywhere – capture via bunds and silt traps

Attachment SS 2

- A Fleming (Environment/NGO representative) noted his sector wants intermittent waterways included because:
 - They support fencing all intermittent waterways
 - They see property plans could be a tool to identify intermittent waterways
 - intermittent waterways can and have been defined elsewhere
 - There would be more assurance intermittent waterways/streams would be protected if they were part of a rule
- The independent chair tested whether there was unanimous agreement. There was not. D Campbell (Environment/NGO delegate) noted his support based on strong direction in property plans and further study needed. A Fleming (Environment/NGO representative) indicated he was in disagreement due to the following reasons:
 - intermittent waterways can and have been defined elsewhere
 - There would be more assurance intermittent waterways would be protected if they were part of a rule
- Following further discussion CSG noted there needs to be more research about the issue of intermittent waterways in this region and the range of ways they could be mitigated.

CSG Resolution:

Not to have intermittent water included in the catchment-wide rule. Do further work on this in the next 10 years (science, definition, cost/benefit). Include via property planning approach.

Moved G Moss (Dairy representative), seconded C Keenan (Horticulture representative).

D Campbell (Environment/NGO delegate) noted his support was based on strong direction being in property plans and further study being needed.

In disagreement: A Fleming (Environment/NGO representative).

Resolution carried.

Attachment SS 3

Collaborative Stakeholder Group voting on Plan Change 1 7 June 2016 Details of Forestry Sector Objections

Policy 7

The concept of minimising social disruption is a **separate** concept to natural capital (now land suitability).

There was agreement that property allocation would **move** to natural capital and the full CSG agreed that grand parenting was not favoured as the approach to allocation.

Natural capital deals with physical matters, the ability of the land and the receiving waters to deal with contaminants

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Objective 4 also reinforces staging is for social economic and cultural reasons. Policy 7 should be left as advising of a move to land suitability with no reference to consideration of economic, social or cultural effects.

Methods 3.11.4.7 and 3.11.4.8 provide for the information to support future allocation. There is no mention here to methods to minimise or evaluate social disruption rather the opposite.

Attachment SS 3

The objectives, policies and methods have all been set up to provide for policy of staging to minimise social disruption and then a policy to move to land suitability. Clauses (b) and (d) of policy 7 cut across that.

Forestry position

Oppose Policy 7 clause (b) and (d)

Rule 2a

The agreement to rule 2a was conditional on a commitment that it was for a ten year period only, and that beyond that period there was a strong commitment to transitioning to a more equitable approach based in the long term on natural capital (now termed land use suitability). With the current rule framework of Policy 7, and in particular rule 5 incorporating a grand parenting approach, forestry has no confidence of any real intent to transition to a fairer approach. And to the contrary, much of the discussion that has taken place in relation to inclusion of a date in rule 2a and in particular the grand parenting approach in rule 5 it is becoming clear this is not the intent. This has forced the sector to question whether there is still agreement to rule 2a.

On the basis that if Policy 7 and rule 5 both indicate an intent to retain a grand parented approach forestry cannot support rule 2a, on the basis that the forest sector is fundamentally opposed to a grand parented approach.

It is our view that it is using forests as offsets for high leaching land uses, but with the offsets being taken by regulation rather than being compensated – effectively one sector bearing the cost of externalities created by another.

Forestry Position

Oppose rule 2a in its entirety.

Rule 5

Forestry opposes the matters for control in clause (iii).

The approach of hold and reduce is grand parenting. It does not set the scene for a fairer allocation in future – and to the contrary locks in a grand parented approach for a full ten years which will almost inevitably form the corner stone of the next plan change.

Concerns:

- It is inconsistent with a number of the policy selection criteria agreed by the CSG.
- It is inconsistent with agreements reached by the CSG:
 - Not to allocate in this plan change
 - Not to grand parent
- It penalises those who have low leaching levels (early adopters and low leaching sectors) and materially rewards those with high leaching levels.
- It creates no policy incentive to improve, and to the contrary will demoralise early adopters and create a deterrent to those with high leaching levels to reduce, for fear of losing property rights.
- It will unquestionably create a deterrent to planting trees on anything but the least productive land, as tree planting will be seen as the first step to removing property rights from the land.
- In combination with Rule 2a it effectively locks in current land use patterns for fear of losing options in future – a use it or lose it approach to polluting.

Attachment SS 3

Forestry also opposes the 75th percentile approach. As worded it gives the message that those operating just below the 75th percentile have done enough for now, and are to be treated exactly the same as those who have been early adopters and left no stone unturned to be at the lowest end of the leaching scale. Fundamentally forestry does not believe it goes far enough and is not consistent with the property selection criteria requirement of exhibiting proportionality. Nor does it send the right signals of transitioning to a fairer allocation in future based on all land uses leaching within their natural limits.

Forestry Position

Oppose matters for control in clause (iii) of Rule 5.

Seek that this is replaced by provisions that exhibit proportionality by making it clear that:

- Those leaching the most are expected to reduce the most (in line with Policy 2d)
- Creating specific reduction targets for all high leachers – not just those above the 75th percentile
- Recognising that those leaching at low levels are not expected to make further gains for now, to reward early adopters and low leachers and thereby create an incentive for high leachers to improve

Rule 6

Forestry opposes Rule 6. It is our understanding that the rule has largely been developed for a proposed Fonterra Industry Scheme. To have full permitted status for some of the highest polluting land use in the catchment, while land use with lesser effects requires consent, is in our view inconsistent with the approach of the plan and the RMA. Furthermore we are concerned that there are no specific requirements for improvement for farms operating under an industry scheme, even to match requirements in rule 5. Where the scheme is run by industry organisations, in some instances owned by farmers, this will inevitably create tensions making it more difficult for them to take on an enforcement role.

For the industry scheme to work, there needs to be very clear requirements for Farm Environment Plans, that are consistent across all farms, whether under consent of industry schemes, and there will need to be very clear benchmark requirements and monitoring and enforcement by the Regional Council. At present this is not clear from the rule and associated schedules.

Forestry Position

Oppose Rule 6