

In the matter of the Resource Management Act 1991

And a submission and further submissions on Proposed Waikato Regional Plan Change 1 – Waikato and Waipā River Catchments (PPC1)

Submitter's Name: Theland Farm Group (Theland)

Submission Number: Submitter number: 82022
V1PC1 – 477; V1PC1 –585; V1PC1 –486; V1PC1 –482; V1PC1 – 517; V1PC1 –488; V1PC1 –490; V1PC1 –492; V1PC1 –522

Hearing Topic: **Part B – Outcomes:**
Overall direction and whole plan submissions
Part B – Outcomes: Values and uses
Part B – Outcomes: Objectives

Type of Evidence: Primary

Witness: Justine Kidd

Date: 15 February 2019

STATEMENT OF EVIDENCE OF JUSTINE KIDD

Summary statement

1. This statement provides an overview of Theland Tahī's position on Proposed Plan Change 1 ("PPC1"), with reference to the topics in Block 1. It is not a technical or expert statement of evidence. It is a "lay statement" in my role as the Chief Executive of Theland Tahī ("Theland"), which is part of Theland Farm Group ("TFG"). It is intended to provide the Hearing Panel with an outline of Theland's key issues regarding PPC1 and provides an outline of Theland's farm systems which will be impacted by the provisions of PPC1.

Role and relevant experience

2. My full name is Justine Margaret Kidd. I am the Chief Executive of Theland Farm Group. I have a Bachelor of Agricultural Science (Hons), from Massey University and I have held many roles within the Dairy and farming industry across New Zealand. I lead the New Zealand Agribusiness team of Theland Farm Group which is an internationally focused food and agribusiness company. As part of my role as CEO of Agribusiness, I am responsible for the farm operations of Theland Tahī Farm Group Limited and Purata Farming Limited. In my statement, where I refer to "Theland" this is in reference to Theland Tahī, the entity which owns and runs the North Island farms within the wider Theland Farm Group.

Submission and further submissions

3. While Theland did not lodge a submission on PPC1 in its original form, it subsequently lodged a submission on Variation 1 to PPC1. The submission on the variation addressed all provisions in PPC1. I understand that other submitters took a similar approach whereby they lodged comprehensive submissions on Variation 1 to reflect an evolution in thinking about the provisions of PPC1. Theland subsequently lodged further submissions on PPC1 as varied.
4. Theland's further submission sets out a summary of Theland's overall position in relation to PPC1. I endorse this position and it is intended that Theland will pursue relief which addresses its key concerns through the hearing process. In that regard, Theland will seek to rely on the evidence

of other submitters with whom it is aligned and has been in discussions with during the past few months in the lead up to the hearings commencing.

5. Given that the critical issues for Theland are to be addressed by Waikato Regional Council in its section 42A officer report in Block 2 and Block 3, it is anticipated that Theland may also file expert technical evidence in relation to those parts of the section 42A report or will otherwise expressly identify evidence of other submitters which it will rely on.

Introduction

6. TFG owns 29 farms around New Zealand, with nine of those being dairy farms in the Waikato Region, owned by our 'Tahi' entity. There are a further seven farms in the North Island which are located outside the Waikato Region. While the farm group has a dairy farming focus, the wider group has further significant interests in commercial and residential property, as well as a consumer products business which sells both dairy and non-dairy products to China.
7. As Chief Executive of TFG, I strive to ensure the business is market leading in terms of our stewardship of the land and our natural resources. This is critical to our post-farm gate business being able to leverage our "Theland" brand's position as a premium product.

Farm Management Systems

8. The 16 farms which TFG owns in the North Island were formerly owned by the Crafar family. The challenges presented by these properties were well documented through the Global Financial Crisis, particularly in terms of environmental management. TFG and our strategic partners have worked hard to bring the farms up to an appropriate standard in terms of infrastructure and on-farm management systems, spending in excess of \$25m in the process. Our current Operating Plan (which applies across the Theland Farm Group) is focused on understanding where opportunities are to improve, how we can keep producing excellent quality milk for consumers while also improving our sustainability and reducing the environmental impact of our farming activities.

9. All of TFG's North Island farms have reduced cow numbers significantly compared to previous owners, some by over 50%. In addition, Theland has carried out effluent system upgrades to ensure that a "best practice" approach to effluent management is in place and is implemented. As part of that best practice approach, TFG has retired several hundred hectares of at-risk land and has carried out 300km of fencing of riparian areas with a significant proportion of that being within the Waikato catchment. Ongoing planting programmes have also been put in place and we estimate that we will plant around half a million trees and plants over the next five years in order to further mitigate the environmental effects of farming activities.
10. In order to maximise the outcomes of these physical improvements, Theland needs its farm teams to fully understand what they can do every day to avoid or mitigate environmental impacts and improve environmental outcomes. As I noted at the outset, TFG has farms across New Zealand, including in the South Island, which means that we are within the jurisdiction of numerous regional councils. As a consequence, we have designed our own Farm Environment Plan (FEP) template. We have sought to utilise the best features of the available external templates and designed something that will work across farms in various regions and catchments. We are holding workshops with our farm teams to create or upgrade their specific farm plan, focused on the risks on their own farm and how they can manage them on a daily basis. Accordingly, it is important to us that any FEP template under PPC1 is robust and "fit for purpose".
11. On top of our farm-specific focus, we are working with specialists and other stakeholders in our sub-catchments to address the specific challenges to waterways in those areas. For example, our sub-catchment groups in the Hawkes Bay and Horizons regions are targeting improvements and working towards farmers holding each other accountable for their on-farm actions. With five farms in the Ruahuwai sub-catchment near Reporoa, we are uniquely positioned to show similar leadership to help drive improved outcomes in the area, as we are in several other parts of the Waikato Region.

12. Nevertheless, I acknowledge that there are areas where we can improve our environmental management at Theland and that is our focus for the foreseeable future. To put it simply, we take our commitment to leadership in environmental management seriously and it is against that background that we have made submissions and further submissions on PPC1 as varied.

Section 42A report – Block 1, Part B – Outcomes – Overall direction and whole plan submissions; Part B – Values and uses; Part B – Objectives

13. While we made a submission on Variation 1 and further submissions on PPC1 as varied, Theland will not be filing technical expert evidence on Block 1. As stated above, we will seek to rely on the evidence of other submitters and key stakeholders with whom we are aligned.
14. In that regard, due to the significance of the matters to be addressed in Block 2 and Block 3, Theland reserves its position on Block 1 in order to:
 - (a) Identify the technical expert evidence it will rely on for Block 1 as necessary; and
 - (b) Determine whether, following release of the s42A report on Blocks 2 and 3, matters related to Block 1 need to be re-visited to confirm its position.
15. Bearing this in mind, my evidence summarises in general terms the matters which remain in dispute and which are referred to in the section 42A report on Block 1. This primarily relates to the key topics which will be addressed in detail in later Blocks.

Sub-Catchment Approach

16. Theland strongly supports a sub-catchment approach to implementing changes required to give effect to the NPS-FWM and the Vision and Strategy. However, the section 42A report on Block 1 appears to dismiss this as a valid approach. Theland disagrees with the s42A report, to the extent that it has signalled the direction that will be taken in the subsequent "Blocks" of the section 42A report.
17. Being able to address impacts or risks in waterways in a timely manner as they appear would mean that groups within that sub-catchment can act

more quickly in order to mitigate or reduce the effect on the waterways. Pro-active sub catchment groups will be able to move with agility to address concerns of stakeholders before they become a regional issue.

18. We support Wairakei Pastoral Limited's submission that sub-catchment 66 be split into 66A and 66B. We oppose the recommendation of the section 42A report reference B5.3.3.
19. The section 42A report on Block 1 refers to all four contaminants. However, it is clear the focus remains on Nitrogen. While Theland understands the significance of the impacts of Nitrogen (we have been trying to reduce it across our farms for some time), it is not necessarily the key issue for the sub-catchments we farm. Without the ability to work with other stakeholders to identify management plans for the biggest risk factors specific to each sub-catchment, we risk degradation of the waterway due to the impact of other contaminants.
20. Without the ability to design sub-catchment plans, the chance to show leadership and hold our neighbours and ourselves accountable will be more limited. Farm Environment Plans will be forced to focus on reducing Nitrates above all else because that is how they are regulated - even if that does not result in the best outcome for the waterway. It is important to note that the ability to focus on the other contaminants does not mean that Nitrate leaching will be allowed to increase. The objectives for the sub-catchment would still need to be achieved in the context of the overall catchment covered by PPC1.

Nitrogen Reference point and related matters

21. The commentary in the section 42A report on Block 1 has effectively left this issue and other "Key PC1 issues" in a "holding pattern". It has provided some "preliminary views" with the proviso that the detailed analysis will follow in later Blocks (Block 2). As such, it is appropriate for Theland to reserve its position on Block 1, which I have already stated.
22. While I understand that the full analysis will follow in later Blocks, I wish to note the kinds of issues being confronted by Theland in the meantime. Theland owns several properties and has been involved in various land

transactions. The Nitrogen Reference Point (“NRP”) is problematic when dealing with the sale and purchase of land. Until this is clarified, Theland (and any other landowner in the catchment who buys and sells farm land) has very little certainty as to how the rules impact the land being sold and/or what the implications may be for the balance of the land that is not sold. For example, if an enterprise has a particular NRP and part of the land within the enterprise is sold, what is the NRP for the land that is sold and vice versa?

The ‘Load To Come’

23. The CSG and the section 42A report do not provide any scientific evidence to demonstrate that there is a “load to come”, particularly in the upper Waikato catchment. The information available to Theland and discussions with other stakeholders indicate that there no such “load to come” and not at the scale anticipated by the CSG and as described in the section 42A report Block 1. I understand that research and analysis of this issue is being undertaken by other stakeholders and the outcomes will form the basis for evidence in later hearing Blocks. In any event, if the “load to come” is being relied on by the section 42A report writers to justify the approach being taken in PPC1, this should be backed up by scientific evidence and, if necessary, quantified so that the provisions of PPC1 reflect an appropriate response to the issue.

Enterprise Approach

24. Aligned with being able to build a sub-catchment approach to our farm management, being able to use an enterprise approach within that sub-catchment is important to Theland. Being able to monitor our outputs as an enterprise will allow us to make the best environmental decisions across a larger area within that sub-catchment. Decisions can be made based on the best medium to long term outcome for the sub catchment, rather than a short-term outcome for one specific farm.

Table 3.11-1

25. Theland supports the work being undertaken by stakeholders such as Wairakei Pastoral Limited regarding the appropriateness of the numerics

being used in Table 3.11-1. We remain concerned that these may not be appropriate, and we reserve our position on this topic.

Conclusion

26. In my view, the section 42A report on Block 1 relies on the CSG outcomes and lacks detailed consideration of the substantive submissions lodged by stakeholders in this process. It has left the critical issues to be dealt with in Block 2 and Block 3. This approach has been a key consideration for Theland in determining how it uses its resources for the purpose of the hearing process, particularly in relation to Block 1.
27. In that regard, Theland intends to rely on other parties' evidence for the purpose of future Blocks and will advise which submitter evidence will be relied on following the exchange of evidence in chief. Following that, Theland may file its own independent expert evidence for Block 2 and Block 3.
28. Thank you for the opportunity to present this statement.



Justine Margaret Kidd

15 February 2019