SUBMISSION TO THE MINISTRY FOR THE ENVIRONMENT
ON THE PROPOSALS CONTAINED IN THE DOCUMENT

Action for Healthy Waterways

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Name of Submitter: North Otago Irrigation Company
Postal Address: PO Box 216
Oamaru 9444
Telephone: Personal details removed
Mobile: Personal details removed
E-mail: arodwell@noic.co.nz

Andrew Rodwell, Chief Executive Officer, North Otago Irrigation Company
About North Otago Irrigation Company (NOIC)

1. NOIC is a privately held company that owns and operates a rural irrigation scheme.
2. The scheme holds a consent to take 8.2cumecs from the Waitaki River and deliver that water to farms in the North Otago Downlands region.
3. The scheme provides water to 170 farms over a Command Area of 68,000 ha.
4. In order to receive water, a farm must hold shares in NOIC and so the company operates effectively as a co-operative.
5. The farm types include dry-stock, dairy and cropping as well as some market gardeners.
6. NOIC requires the farms who receive water to have and maintain Farm Environment Plans. These Plans are independently audited.
7. NOIC employs a full-time Environmental Manager whose role is to support farmers to achieve continuous improvement in farm practices to reduce any environmental effects from farming and to ensure those farmers remain compliant, at all times, with all statutory environmental regulations.

Summary

NOIC supports the vision presented in the Action for Healthy Waterways proposal, however, we are concerned with some of the proposals. Those concerns are regarding Section 4, Section 5 and Section 8.

NOIC wholly supports the submission made by Irrigation New Zealand and will not repeat the points raised by that entity here. NOIC’s submission focusses on how the proposals under Action for Healthy Waterways could threaten the functioning of the company and, by default, the operations of farmers without having any positive environmental benefit or directs behavior that is already locked onto an environmental improvement pathway.

It is important to highlight that the company and its farmer shareholders have, for many years, been actively mitigating the environmental effects of farming and can demonstrate catchment-wide, as well as many farm-specific improvements to water quality.

These improvements are the result of changes to on-farm practices. These have been achieved largely voluntarily and certainly within the existing regulatory framework and they would continue, regardless of any new regulations that may be imposed.

The North Otago region has been farmed for 150 years. Irrigation, over the past 20 years, has transformed the productivity of farming and the broader economy of the region. NOIC commissioned an independent economic impact assessment in 2014 that highlights the significant positive impact of irrigation and reliable farming on the economies, demographics, educational and employment opportunities in the towns in the region.
Environmental consciousness is as well represented among the farming sector as it is among any sector in New Zealand. An expanded regulatory regime must be structured in such a way that it enables farmers to meet the targets while still maintaining viable businesses. This is the outcome that will, ultimately, be best for NZ Inc.

**Specific submission points**

**Section 4 – Policy Direction**

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<thead>
<tr>
<th>Proposal</th>
<th>RMA Direction</th>
<th>What will be different</th>
</tr>
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<tbody>
<tr>
<td>Introduce a new freshwater planning process that will require Councils to have new plans in place no later than 2025.</td>
<td>RMA amendment bill</td>
<td>Better, faster, more nationally consistent freshwater management plans and implementation.</td>
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**NOIC’s Submission**

NOIC’s shareholders include farm owners in Canterbury and in Otago. We are very familiar with all the Plan Changes, Schedules, Omnibus changes etc. It can appear that no sooner is one change approved and implemented that a variation to this has been put up for consultation. It is clear that the Regional Councils have a big task getting the regulations correct and, as best they can, uncontestable. The influence from central government is clear. It all adds up to confusion on the part of those who need to comply with the various regulations. Constant tinkering is unhelpful for the type of long term planning that farmers adopt as they adjust their land uses and on-farm practices to achieve improved environmental outcomes.

The government wants to see certain improvements immediately, water quality improving within five years and Councils to have new plans in place by 2025. That’s laudable but it implies that the myriad of plans that have been put together by Councils and the community over the last ten years have been ineffectual and must again be relitigated through yet further plan change processes.

**Changes sought**

We strongly submit that we do not want to see the gains the regions of Otago and Canterbury have achieved through the various plan changes developed over the past ten years arising from the current NPS be discarded due to this latest iteration. These gains have been positive and there is a clear trajectory of change. The future is better used to continue positive action, rather than pushing Councils into a complex, resource-consuming process of yet more planning.
Section 5 – Raise the Bar on Ecosystem Health

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| New attributes (indicators of ecosystem health) to be monitored and maintained or improved:  
- nutrients (N & P)  
- sediment  
- fish & macroinvertebrate numbers  
- lake macrophytes  
- river ecosystem metabolism  
- dissolved oxygen in rivers and lakes. | NPS-FM | Land and water resources will be managed so that in a generation our freshwater will be healthier for people, animals, native fish, trout and salmon, plants and other species that live in or alongside waterways. |

NOIC’s Submission

Consistent with NOIC’s position that there should be no further degradation of rural or urban waterways, indeed there should be a reversal where these waterways are “unhealthy”. NOIC is comfortable with attribute targets. However, it is important to recognise that no two catchments are the same. Topography, lithology and climatic effects all contribute, along with land use, to the prevailing attribute levels. To force land users to excessively compensate for these would be illogical. It is impossible to recreate the original ecosystems pre-Maori or pre-European. A blanket attribute target, in particular for DIN, cannot be prescribed for all catchments or expected to be achieved by all catchments by some common future date.

Changes sought

Provide regional councils with the autonomy to set catchment-specific targets, especially for DRP and DIN, and timeframes in which to achieve those targets.

Section 8 – Improve Ecosystem Health by Improving Farm Practices Where Needed

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<td>Ensure all farmers and growers have a plan to manage risks to freshwater.</td>
<td>Freshwater NES</td>
<td>There is less pollution of rivers, lakes and groundwater from agriculture and horticulture because all farmers and growers understand and manage environmental risks and follow good practice. All farmers and growers have a farm plan by 2025.</td>
</tr>
</tbody>
</table>
NOIC’s Submission

NOIC has required its farmer-shareholders to have and to adhere to auditable Farm Environment Plans for many years. They are an excellent tool for influencing on-farm practice, resulting in measurable gains in terms of run-off and nutrient contamination. While the content of an FEP may cover all types of farming, the practices and outcomes required will differ between farm types and within a catchment. Regulations relating to FEP’s must account for the significant variation that exists between and within catchments.

Changes sought

None

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<td>Tightly restrict any further intensification of land use through interim measures until all regions have operative freshwater management plans.</td>
<td>Freshwater NES</td>
<td>From June 2020, changes such as new irrigation or conversion to dairying will only happen where there is clear evidence it will not increase pollution.</td>
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1. Intra-catchment intensification must be considered on a catchment by catchment basis. Clearly some catchments cannot support further intensification, while some, due to current levels, soil types and proximity to waterways, can.

2. NOIC holds a consent to take 8.2 cumecs from the Waitaki River. At present, the company has sold shares equivalent to 90% of that 8.2 cumecs. Shareholders have invested $170 million to build an irrigation scheme capable of distributing 8.2 cumecs. If strictly interpreted, the interim measures could have the effect of precluding NOIC from selling the balance of shares, thus condemning the existing shareholders, who had the foresight and courage to build a scheme larger than was initially required, to bear an unfair burden of the fixed operating costs, and arguably “stranding” an asset.

3. Technology, initiative and commercially driven changes to land use (such as converting a part of a dairy farm to a horticultural crop) can enable the same amount of water to be utilised over a larger area of land. This would, in no way, increase the “environmental burden” associated with that existing water right and yet the interim measures, if strictly applied, would have unintended consequences:
   a. Stifling the development of irrigation technologies that permit more efficient application of a given amount of water, thus enabling it to be used over a wider area of land; and
   b. Impeding what could be an economically beneficial, yet environmentally neutral, option to vary land use. Given the government’s desire to see increased diversification, this would contradict that aspiration.
Changes sought

1. Exempt irrigation schemes with a partially un-utilised consent to fully utilise their consents, provided that in doing so, the land the water is applied to can achieve a nutrient budget target consistent with the existing standards for that catchment.

2. Exempt the expansion of irrigated areas where that expansion utilises water that is already consented and is already being used.