The Tatua Co-operative Dairy Company Limited

Submission on the

Action for Healthy Waterways
discussion document

October 2019
FORMED IN 1914, The Tatua Co-operative Dairy Company Ltd (Tatua) is one of the few dairy companies in New Zealand that has remained unchanged by merger or take-over. The Company operates as a co-operative, with 107 supplying shareholders and concentrates its business activities in the added value and higher technology sectors. The Tatua business model can be considered as being part dairy processor and part food producer.
1. Introduction

1.1. As a business owned and operated by 107 farming families, Tatua is grateful for the opportunity to provide feedback on the *Action for Healthy Waterways* discussion document. We support the broad intent of improving the health of New Zealand’s waterways, but we have significant concerns with the proposed speed and direction of some of the proposed changes, the scientific basis for some of the proposals, and the impact they may have on the ongoing viability of farming businesses and communities.

1.2. Tatua has been producing dairy and other food products at its processing plant located at Tatuanui, near Morrinsville for the past 104 years. All 107 shareholder farms are located within 12 km of the factory site on the fertile soils of the Hauraki Plains. The major waterways in our collection are the Piako River to the west, the Waitoa River to the east, and the Waiharakeke West Stream in the centre. Both Tatua and its shareholders utilise ground water for milk production, stock watering and domestic drinking water.

1.3. While it is true that waterway health has not always been at the centre of our thinking throughout our long history; that is no longer the case. Over the past 20 years we have made significant efforts to raise awareness of waterway values and improve environmental performance associated with milk production and processing. In 2013 Tatua became an accountable partner within the *Sustainable Dairying: Water Accord* and we have achieved all goals set within the Accord. We are also an active supporter of, and participant in, the dairy industry’s ambitious strategy, *Dairy Tomorrow*.

1.4. In 2018 we launched “Tatua 360”, our responsible farming programme that brought together the separate environment, milk quality, animal care and farm infrastructure platforms we were already running, and combines them with a new People module. Within Tatua 360 we have set a range of goals, including working with our shareholders to roll out Farm Environment Plans (FEPs) on all of our supply farms by 2023.

1.5. At our manufacturing site, we have made numerous investments to improve the capacity and performance of our wastewater treatment and land irrigation systems. This has included a $6 million dissolved air floatation investment in 2017, as well as a $14 million project currently underway to further improve the quality of wastewater being irrigated. We have already begun thinking about what the next step will look like, with our ultimate aim being to return our wastewater to the environment in a cleaner form than when it was extracted as groundwater.

1.6. We understand that other dairy industry participants will be making submissions on the discussion document. We note the unique role of DairyNZ in representing all New Zealand dairy farmers, and support the positions taken in its submission.

2. Summary of Submission Points

2.1. We support clear, science based environmental bottom lines that protect human and ecological health, and frameworks that empower farmers and communities to work together to achieve these.
2.2 Where farmer mitigations are required, they should be outcome based, farm specific, and proportional to the verified impact on ecological health. We do not support broad brush approaches for all farms within a region, or across the country.

2.3 Policy frameworks should recognise that waterways do not exist in isolation, but form part of a complex relationship involving a range of social and economic drivers. Tatua supports a balanced policy approach that provides long term benefits to both waterway and community health.

2.4 The absence of economic analysis by the Government as part of the policy package was disappointing given the far reaching and potentially impactful nature of the proposals. We have instead relied on independent analysis commissioned by Local Government New Zealand and DairyNZ to provide an assessment of possible economic effects at both regional and national levels. In both cases the conclusions reached are very concerning, including a possible $6 billion fall in GDP by 2050, widespread land use change, and a significant reduction in predominantly rural employment.

2.5 We have serious concerns with the scientific robustness and application of proposed national bottom lines for nitrogen and phosphorus. We support the continued use of the current NPS-FM periphyton attribute for managing ecosystem health and the ability for councils to set instream DIN and DRP criteria to achieve a periphyton objective.

2.6 We agree that, for catchments where regional councils have not yet set planning controls on intensification of land use, significant further intensification should be restricted to cases where it can be demonstrated that the change will not result in an increase in contaminant losses.

2.7 We strongly support the mandatory preparation of FEPs covering all aspects of environmental performance by all farmers and growers. In our view, FEP preparation provides the most effective method of identifying and recording specific risks and opportunities at farm level, and developing relevant practical actions to reduce contaminant losses and improve overall environmental performance.

2.8 We do not support the proposed options to achieve a rapid reduction in nitrogen loss. Instead, we consider that the simpler approach of measuring nitrogen surplus (an assessment of how efficiently nitrogen is being utilised) to be a more effective first step. This approach would be significantly less resource hungry for both farmers and regional councils, quicker to set up, and provide improved nitrogen loss benefits by ensuring all farms are utilising their nitrogen inputs efficiently.

2.9 We support the proposed difference in approach for stock exclusion for larger and smaller waterbodies as it provides clarity on priorities, but we do not support the proposed nationwide standard 5m average setback for larger waterways. If a national minimum is set, then we consider that a 3m average setback would be workable and more than sufficient to achieve the desired environmental benefits.

2.10 We agree that stock holding areas need to be managed to control effluent and contaminant loss, but do not support the proposed requirement for farmers to obtain a resource consent to use such facilities. We consider an alternative approach where stock holding areas are given Permitted Activity status and managed through FEPs to be a more efficient and practical option.
3. Process

Overview responses (Q1-8)

3.1. Along with many others, we are very disappointed with the timing and timeframe for consultation. The initial six-week timeframe was too short for such a significant policy proposal. Even with the two week addition, there has been little time for meaningful engagement with our shareholders and in-depth analysis of policy positions. This was particularly frustrating, given the intended widespread impact of the policy changes on current and future farming practice and capital requirements. Consultation meetings arranged by the Ministry for the Environment provided little, if any, real insights or answers to farmer questions, with the response of “Put that in your submission” wearing a little thin.

3.2. New Zealand has a wide diversity of freshwater ecosystems that must be considered when developing the goals of freshwater management. Freshwater attribute target levels must therefore recognise the unique characteristics of waterbodies within their catchment context, and account for natural variation and conditions such as erosion, nutrient levels, geology, geomorphology, and land type and cover.

3.3. While the proposed measures should limit reduction in the water quality of New Zealand’s lakes, rivers and streams in the short term, as discussed further in this submission, we believe that in a number of cases an equivalent outcome could be achieved in a more constructive and inclusive manner.

3.4. We hope to see evidence of a material improvement in freshwater quality by 2025, but we do not believe this to be a reasonable expectation. Natural processes such as riparian and wetland development, nitrogen attenuation, and change in soil phosphorus will take decades to readjust and stabilise. As a result, numerical attribute states for some waterways will take an extended time to respond to these natural processes.

3.5. Although some rudimentary cost estimates have been provided for specific activities and land uses, the lack of Government economic modelling of the proposed policy package options is concerning. It appears that the Government is pushing a large proportion of the cost of change onto regional councils, which will ultimately be recovered through increased rates on land owners. At the same time, those land owners may face operating restrictions that reduce profitability and, in some cases, precipitate land use changes.

3.6. In the absence of Government economic analysis, we note that the Initial Economic Advisory Report on the Essential Freshwater Package prepared for Local Government New Zealand provides some useful insights. Modelling identified that application of the proposed dissolved inorganic nitrogen (DIN) and dissolved reactive phosphorus (DRP) bottom line attributes within the Waikato-Waipa catchment (soft-bottomed waterways similar to the Piako River) indicated that the new bottom lines could not be achieved without significant change in land use. In that case, the least cost solution involved large scale conversion from drystock to forestry (more than half the catchment) at an annualised cost of $100 million. While the reality may be different, it does signal the potential for widespread harm to rural communities.

3.7. Further, recently completed economic analysis commissioned by DairyNZ provides a very disturbing picture of potential economy wide effects of the proposed regulatory change. Of primary concern is the possible fall in New Zealand GDP of $6 billion by 2050, with flow-on effects of reduced farm profitability, loss of rural jobs, and a reduced tax take. These effects would be exacerbated by the future reduction in methane emissions required as part of the Zero Carbon Bill, which could result in an additional $1 billion loss ($7 billion) in GDP.
3.8. The economic analysis completed to date makes it clear that policy makers must carefully consider the impacts of the proposed policy package on the dairy sector, and regional and national economies. Based on the magnitude of potential negative impacts, we would strongly support re-evaluation of proposed policy settings and mechanisms to achieve them, particularly as they relate to the management of nitrogen. We are convinced that water quality gains can be made with less stringent reforms and at significantly lower risk to the New Zealand economy.

4. Direction and Policy

Mana o te Wai (Q9-12)

4.1. In assessing waterway health in terms of Te Mana o te Wai it is important that the new NPS for Freshwater Management acknowledges that waterways do not exist in isolation, but instead, form part of a complex relationship involving a range of social and economic drivers. We consider that this is not sufficiently recognised in the proposals, and that imbalanced and rapid implementation of the NPS through regional planning processes may reduce the economic ability for some sectors of society to respond adequately, leading to irreparable harm to affected communities.

4.2. Tatua’s view is that the health and wellbeing of waterbodies and the health and wellbeing of communities should be given equal weighting when setting policy at national, regional and district levels. In this way, we can help ensure that farming businesses remain sufficiently profitable to invest in new greener technologies and production methods, leading to healthier waterways and vibrant communities able to enjoy them.

New Maori value (Q13-16)

4.3. We acknowledge the rationale of incorporating tangata whenua freshwater values such as mahinga kai as part of a suite of community values for freshwater, but we are concerned about how interpretation of these qualitative values by different iwi and regional councils will occur. In particular, that attempts to reach agreement on interpretation at national or regional level will increase the risk that timelines for regional planning processes will not be met, creating uncertainty for businesses (including farmers) and communities.

4.4. Overarching the current discussions on waterway health is the vexing question of Maori rights and interests in water allocation. In our view, attempting to address water allocation as part of the proposed re-set of planning processes will significantly delay the incorporation of tangata whenua freshwater values.

4.5. In order to avoid unnecessary delays in embedding the new policy suite, our recommendation is that Central Government lead the development of mahinga kai and other tangata whenua values relating to waterway health, but expressly exclude allocation issues from that process.

New planning process for freshwater (Q17)

4.6. It is Tatua’s view that improved efficiency and speed of RMA planning processes will provide widespread benefit and is long overdue. We support the intent of the proposed streamlining on the basis that it should deliver more efficient, technically robust and consistent outcomes than the current RMA process.

4.7. We see potential in having a panel of specialist independent commissioners who are capable of considering technical evidence, balancing conflicting viewpoints, and achieving robust determinations. It is important, however, that adequate protections are maintained for all parties,
so we will review the detail of the proposed change when the RMA amendment bill is introduced to Parliament in due course.

**More integrated planning for freshwater (Q18)**

4.8. In situations where waterways flow through multiple territorial authorities, it is important that policies are aligned across all land uses in the catchment so that cumulative effects can be effectively managed. Tatua therefore fully supports an improvement in the clarity of roles and responsibilities between regional councils and territorial authorities with regard to freshwater management.

**Exceptions for major hydro schemes (Q19)**

4.9. We understand the Government’s desire to safeguard the performance of nationally important hydro scheme infrastructure, particularly given the important role this will play in meeting future energy supply requirements and carbon emissions targets. We note, however, that the presence of hydro lakes may impact on water quality; possibly leading to bottom line water quality attributes not being achieved. In such cases it is important that other land users within the hydro scheme catchment are not placed under additional pressure to meet national bottom lines.

**5. Ecosystem Health**

**Attributes (Q20-21)**

5.1 Tatua supports the need for a sufficiently broad set of attributes to provide a holistic view of waterway health. It is important, however, that the range of attributes is limited to those necessary for robust evaluation, and in general should focus on ecological outcomes that can be used to measure responses to management change.

5.2 We do not support the application of broad brush nutrient thresholds, but do support such thresholds being utilised by councils in the development of action plans where low/declining MCI scores and/or periphyton coverage is evident.

5.3 We consider MCI to be a robust and useful measure of invertebrate communities that provides a sensitive indicator of the biological health of streams. As such, we support its continued use as per existing MfE guideline, but question the proposed change to the well-established and accepted 80 / 100 / 120 threshold values that have been used in New Zealand over the past 30 years. In the absence of peer reviewed scientific data to back such a change, we do not support a move to the proposed 90 / 110 / 130 thresholds.

**Indigenous species and fish passage (Q22-24)**

5.4 Tatua supports actions to assist with the survival of threatened indigenous flora or fauna, including both policy setting and control of physical structures (instream barriers).

5.5 If appropriate, we would also consider the inclusion of fish passage assessment within the scope of our FEP development process. However, we would require a more detailed understanding of how requirements around instream barriers would work in practice, particularly in our local area where undesirable fish species such as koi carp and threatened indigenous species may utilise the same waterway in their life-cycles.

**Wetlands (Q25-26)**
5.6 While we are not aware of any natural wetlands on Tatua supply farms, we recognise the important service that wetlands provide to aquatic ecosystem performance and support their ongoing protection and enhancement. We are concerned that barriers such as high consent costs and monitoring requirements may discourage beneficial actions, and would support consideration being given to providing incentives to enhance existing wetlands and establish new constructed wetlands.

New bottom line for nutrients (Q30-32)

5.7 As part of our normal business activities, Tatua requires its supplying farmers to meet a range of on-farm standards. These requirements are backed up by robust evidence that the action required or standard to be met provides a clear benefit to the sustainability of Tatua’s business. We would expect a similar approach and level of rigour to be applied for setting instream nutrient limits.

5.8 Tatua has serious concerns with the proposed national bottom lines for DIN and DRP. While we support the setting of instream nutrient targets where needed to guide land use activities and mitigations, these should be set at the levels needed to achieve specific ecosystem health outcomes for the waterway concerned.

5.9 Our understanding is that the proposed DIN and DRP thresholds are inconsistent with current scientific understanding of drivers of ecosystem health, with MCI values being poorly correlated to DIN and DRP compared to other stressors. A better approach would be to focus on improving waterway environments through ongoing riparian management and wetland rehabilitation.

5.10 As noted in the discussion document, limiting the growth of periphyton by restricting nutrients does not apply to all waterways because, for example, periphyton does not grow in soft bottomed rivers. With this in mind, we consider the use of the proposed nutrient bottom lines to control periphyton to be a blunt and unnecessary measure, particularly given that direct periphyton measurement is readily achievable and is already included in the NPS-FM (2017).

5.11 We understand that the STAG was concerned that the current toxicity attributes may be insufficient for maintaining or improving ecosystem health in rivers where there is no conspicuous periphyton. We suggest that this could be addressed by moving to 90% protection levels for the nitrate toxicity bottom-line attribute.

Reducing sediment (Q33-35)

5.13 Given the important role that sediment can play in maintaining ecological health, Tatua supports its inclusion of sediment attributes in the NPS-FM. Farm environment plans currently being prepared are addressing this issue through the identification of critical source areas and opportunities to minimise sediment loss from these, as well as promoting beneficial drain management and riparian planting to stabilise river/stream banks.

5.14 Anecdotal evidence suggests that the presence of koi carp in the Piako River catchment is an important contributor to sediment loads. Their feeding pattern of stirring up bottom sediment and discarding unwanted material increases sediment loads and results in habitat loss for other plants and animals. In addition, undermining of river/stream banks by koi carp increases channel erosion during high flow periods. As such, it is essential that limits included in the new NPS-FM recognise the contribution that pest fish such as koi carp make to instream sediment loads. This would avoid an unreasonable expectation of sediment load reduction being placed on land users.
Higher standard for swimming (Q36)

5.15 Tatua supports the proposed move to a more targeted approach to achieving acceptable water quality standards at the times and places where waterways are used for swimming. The preparation of action plans to help safeguard human health during the swimming season is a sensible approach.

5.16 We expect that many of the actions identified in FEPs for reducing nutrient and sediment loss will also contribute to instream reduction in *E. coli* levels.

Minimum Flows (Q37)

5.17 Tatua recognises the important role that maintaining minimum flows plays in supporting ecosystems and assimilating diffuse contaminant loads. We therefore support a rigorous minimum flow setting that takes into account, ecological, recreational or cultural values, with priority being given to waterways that are near full allocation or currently over allocated.

Reporting water use (Q38)

5.18 We support the accurate capture of data, including telemetry of water use and for large water takes where this can be practically achieved. Maintaining adequate minimum flows is critical to safeguarding the life supporting capacity of water and telemetry allows this to be done accurately in real time.

5.19 For groundwater takes where the extraction rate exceeds 5 litres per second for limited periods, the effect surface water flows is likely to be limited. To avoid unnecessary investment in such cases, we consider that the equivalent daily extraction volume (432,000 litres per day) be used to trigger the requirement to install telemetry equipment.

6. Delivery of Safe Drinking Water

Safe Drinking Water (Q43-45)

6.1 Safe drinking water is an important resource for individuals, communities and businesses. Tatua supports the need to safeguard water supplies for human consumption, including an update of the Drinking Water NES to reflect a better risk management approach.

6.2 We note that the possible move to zonal land use controls could have significant implications for dairy. We will consider this matter further when the proposed amendments to the Drinking Water NES are released for consultation in 2020.

7. Stormwater and Wastewater

Managing Stormwater and Wastewater (Q46-50)

7.1 As part of our milk processing operations Tatua must manage both stormwater and wastewater discharges. We have made, and continue to make, significant investment in treatment and disposal infrastructure to minimise the impact of these discharges on the environment.
7.2 We acknowledge that contaminant loads associated with these discharges can impact waterways, and understand that we have a part to play in improving our water quality. We see value in having national direction and transparency regarding the expectations for management of stormwater and wastewater. Tatua therefore supports the inclusion of the requirements as proposed on page 58 - 62 of the discussion document and looks forward to the release of the new Wastewater NES for consultation in 2020.

8. Farm Practices

Restricting further intensification (Q51-53)

8.1 Tatua acknowledges that an increase in contaminant loss in the short term may raise the risk of having to make greater loss reductions in future. We therefore agree that, for catchments where regional councils have not yet set planning controls on intensification of land use, significant further intensification should be restricted to cases where it can be demonstrated that the change will not result in an increase in contaminant losses.

8.2 While we support the proposed restriction on land use intensification in principle, we have some concerns around how it will be implemented in practice:

a. It is unclear whether the proposed intensification restriction will be imposed only for those catchments where the 2017 NPS-FM has not been implemented or for all catchments until the new NPS-FM is implemented. Our view is that, given the tight implementation timeframe and the need to provide as much certainty to land users as possible, the land use intensification restriction should only be applied until either the 2017 or the new NPS-FW has been implemented.

b. The ability of land users to demonstrate that there will be no increase in sediment and bacteria losses will be very limited, if not impossible, in most situations due to measurement options and a lack of historical loss data. We consider that where intensification is proposed, the management of these contaminants would be better addressed at farm scale through specific FEP requirements such as the active management waterway buffers and riparian planting.

c. The proposal is for land use intensification restrictions to apply from June 2020, which coincides with the date that almost all dairy farm sales in New Zealand are settled. There will be many farmers that have purchase agreements in place for land adjacent to their current properties with the intention of expanding their farms from 1 June 2020. Depending on how the proposed policy is interpreted, it may place an unfair restriction on such farmers who have acted in good faith based on the current regional plan settings. We therefore recommend that the intensification restriction be applied from July 2020, so that land purchasers are not unfairly treated and can continue operating their farm businesses with a high level of certainty.

Farm Plans (Q54-57)

8.3 Tatua strongly supports the mandatory preparation of FEPs by all farmers and growers. In our view FEP preparation provides the most effective method of identifying and recording specific farm level environmental risks and opportunities, and developing relevant practical actions to reduce contaminant losses and improve overall environmental performance.

8.4 In line with our position, we initiated the rollout of FEPs to all of our 107 supply farms, and by June 2020 we expect to have FEPs in place on 40% of our farms. The process to date has been a steep learning curve for Tatua, our farmers, and the farm planning advisors engaged
to assist with the rollout, but feedback from farmers involved has been resoundingly positive. It is currently our intention to have FEPs in place on all of our supply farms by 2023.

8.5 The success of the FEP rollout to date is partly the result of work that many farmers have already undertaken as part of Tatua’s commitment under the dairy industry’s Sustainable Dairying: Water Accord. This not only raised the level of environmental understanding, but also meant that much of the heavy lifting in terms of effluent and riparian management investment had already been completed.

8.6 To ensure that farmers retain confidence in the FEP process it is critical that expectations of the FEP content are consistent across those involved in preparation, certification and auditing functions. We note that in clause 40 of the NES for Freshwater, certification of an FEP requires that, amongst other things, it is consistent with the good farming principles as set out in the Good Farming Practice Action plan for Freshwater Quality 2018, but this requirement is not included in clause 30 that specifies the required content of a FEP.

8.7 The FEPs that are currently being prepared for Tatua farmers have been designed to align with the industry-agreed Good Farming Practice Action Plan for Water Quality 2018. This is consistent with the approach in other areas (such as Canterbury and Waikato PC1), and we seek assurance that the FEPs already prepared will not require revision or duplication to achieve regional council acceptance.

8.8 While we agree with a need to act more quickly in catchments with existing water quality concerns and no current requirement for FEPs, we are concerned that there will be insufficient capacity available to complete the FEPs within the proposed timeframes. In Tatua’s case, all of our milk supply farms are located within the Piako River catchment and so would be required to have a FEP by 2022. It may be possible to accelerate our rollout programme to meet the proposed earlier completion date, but there is a high risk that this could be held up by the high demand for external farm planners and auditors.

8.9 We also have concerns that an unnecessarily short timeframe to complete the FEPs would jeopardise the quality and rigour of those plans, limiting their value as an important tool to achieve the desired outcomes.

8.10 If the proposed implementation timeframes are retained for higher risk catchments, we consider that it would be helpful if the Ministry considered options to expedite the certification process and encourage appropriately skilled people to obtain certification.

Immediate Action to Reduce Nitrogen Loss (Q58-64)

8.11 Tatua recognises the need to manage the use of nitrogen so that losses to water are minimised. In our view, using an outcome based option has significant benefit as it allows farmers to identify and implement the best solutions for their farm. History has taught us that, where a specific issue is identified, farmers are invariably able to develop innovative and practical solutions that may otherwise have never been considered.

8.12 As part of our responsible farming programme Tatua has been collecting farm data, undertaking Overseer® modelling, and reporting nitrogen loss and nitrogen use efficiency on all Tatua farms for the past five dairy seasons. Based on our experience, we consider that nitrogen loss information is useful for providing an indication of relativity between farms within a season, but suffers from a range of limitations such as seasonal variability due to prevailing weather conditions, reliability of soil type mapping, frequent software version changes, and accuracy of the large volume of input data.
8.13 We anticipate that detailed nitrogen loss modelling is likely to be required in due course, but given the tight implementation timeframe proposed and desire to achieve nitrogen loss reduction as rapidly as possible, we consider that the simpler initial approach of measuring nitrogen surplus (an assessment of how efficiently nitrogen is being utilised) would be a more effective first step. This approach would be considerably less resource hungry for both farmers and regional councils, be much quicker to implement, and provide valuable nitrogen loss benefits by ensuring all farms are utilising their nitrogen inputs efficiently.

8.14 Calculation of nitrogen surplus for a farm requires only four data categories and can be easily determined as follows: (nitrogen in fertiliser + nitrogen in supplement) – (nitrogen in product + nitrogen in exported feed). All of the required data will be readily available for the 2017/18 and 2018/19 dairy seasons.

8.15 As per the proposal for nitrogen loss, those farmers found to be utilising nitrogen most inefficiently would be required to make changes to their farm system. This may include reducing or changing fertiliser and/or feed inputs.

Stock exclusion (Q65-68)

8.16 All Tatua supply farms are located within the Piako River catchment, with most being between the Piako and Waitoa Rivers, and all fall within the “up to 5° mean slope” category.

8.17 We acknowledge that exclusion of stock from waterways is a fundamental first step in improving water quality, and have worked with our supplier shareholders over the past 20 years to ensure that this outcome is achieved. As a result we now have full stock exclusion from all Accord waterways (>1 metre in width), and the vast majority of smaller waterways and drains on all supply farms.

8.18 We support the proposed difference in approach for larger and smaller waterbodies as it provides clarity on priorities for stock exclusion, but we do not support the proposed nationwide standard 5m average setback for larger waterways for the following reasons:

a. Our farmers have expended significant effort and capital to fence their waterways and they should not be forced to replace these fences. We have no doubt that there are other, more effective, opportunities to minimise contaminant losses.

b. The Piako and Waitoa Rivers, and numerous smaller streams and drains form part of the Waihou-Piako flood control scheme administered by the Waikato Regional Council. The flood control scheme includes specific requirements and limitations for riparian management relating to access for mechanical cleaning and weed control. An average setback of 2-3m generally allows diggers to reach over plantings of grasses, flaxes and shrubs, but this would not be possible with a 5m setback.

c. We are not aware of any scientific evidence to support the proposed average setback of 5m and why this is considered appropriate for all waterways and all geographies. Our understanding is that much of the research focusing on the benefit of setbacks has been conducted on sloping plots (greater than 5° Slope) at and greater than five meters. As a result, the effectiveness of setbacks in the range of 1-5m on flat land is not well understood.

d. Within the Piako River floodplain that forms much of the Tatua supply area, river and stream banks are characterised by having natural levees adjacent to the incised channel. As a result, it is common for the bank to slope away from the channel for several metres. In these situations other forms of surface runoff protection may be more appropriate.
e. Waterway setbacks are just one method of reducing contaminant losses. There is a real danger that mandating a minimum average setback for all larger waterways, irrespective of its appropriateness, will impede the development and adoption of other, potentially more effective, contaminant loss mitigations such as end of field treatment through constructed wetlands.

f. We note that there is potential conflict between the requirement for farms to have an FEP (prescribed by the proposed NES for Freshwater) and the stock exclusion regulations. Clause 40 (3)c of the NES requires that an FEP must be consistent with Good Farming Practice Action Plan for Fresh Water. Good Farming practice prescribes stock exclusion as being compatible with land form, stock class and intensity. This inconsistency may create confusion during FEP development.

8.19 We are firmly of the view that setback distances from all waterways should be determined on a case by case basis that takes into account the stock class, stocking rate, localised topography, channel morphology, and flow characteristics. If a national minimum average setback is set, then we consider that this should be no more than 3m.

8.20 If it is necessary to move a fence to meet a new regulation or regional plan standard, then this should only be undertaken when the fence requires replacement or 2035, whichever occurs sooner.

8.21 For smaller waterbodies, we support the use of FEPs to identify additional areas for stock exclusion such as drains, wetlands, springs etc.

8.22 To improve overall water quality outcomes, we suggest that the slope class at which stock exclusion is required for waterways >1m wide should be increased to 15 degrees. This approach would see greater protection for waterways that are more susceptible to sedimentation, a key driver of ecosystem health degradation.

8.23 Clearly defining the point from which setbacks are measured is essential for ensuring clarity of expectations (for farmers) and consistency of implementation. Our experience is that “the top of the bank” is often difficult to clearly define due to the presence of historic terraces, levees, and realigned/recontoured reaches. We suggest that the following Greater Wellington Regional Plan definition of “active bed” is utilised – “...the active bed is the area that is subject to at least frequent flows and is predominately un-vegetated and made up of silt, sand, gravel, boulders or similar material” and that the setback be from the edge of the active bed.

Stock holding areas (Q72-75)

8.24 Many of our supplier shareholders incorporate stock holding areas as part of their farm systems for the dual purposes of minimising pasture damage (pugging) during wet periods and reducing waste associated with supplementary feeding during periods of limited pasture availability. In general, this means that these facilities will be utilised for more than 30 days in a year and/or more than 10 days in a row. In many cases, however, this use will be limited to only a few hours per day, and it is unclear from the NES for Freshwater whether the use of a stock holding area for a two hour period constitutes one days use.

8.25 Identification of contaminant loss risk for regular stock holding areas including farm dairy yards, feed pads, standoff areas, and other stock yards has been part of Tatua’s regular farm assessment programme for many years. This includes ensuring that such structures incorporate an impermeable layer to prevent loss to ground water, bunding/nib walls to prevent runoff, drainage and effluent capture, and appropriate solid and liquid effluent
disposal systems. We expect that most other dairy processors will have similar processes in place.

8.26 Based on our experience, operation of well designed and constructed stock holding facilities on dairy farms presents a low risk of contaminant loss. With many of these facilities now incorporating a roof, the risk is further reduced.

8.27 We are concerned that the added expense and administrative burden of obtaining and holding a resource consent for stock holding may discourage their use and lead to increased reliance on sacrifice paddocks (Permitted Use). In our view this would be a backward step that would potentially result in increased sediment and nutrient loss to waterways.

8.28 Therefore, while we agree that stock holding areas should be managed to control effluent and contaminant loss in a manner that gives effect to the NPS-FM, we do not support the proposed requirement for farmers to obtain a resource consent to use such facilities.

8.29 We consider that an alternative approach where stock holding areas are given Permitted Activity status and managed through FEPs is a more efficient and practical option. This approach aligns with that proposed in the Waikato Regional Council’s PC1, where the location and operation of stock holding areas is included in FEPs.

Tatua is grateful for the opportunity to comment on the proposals and is happy to further discuss any aspect of our submission.

General Manager Co-operative Affairs
Tatua Co-operative Dairy Company Limited