

**Before Hearing Commissioners at Waikato Regional Council in
Hamilton**

under: The Resource Management Act 1991

*in the matter
of:* Submissions on Proposed Plan Change 1 to
the Waikato Regional Plan

between: **Ballance Agri-Nutrients Limited**
Submitter

and: **Waikato Regional Council**
Respondent

**Statement of evidence of Warwick Catto for Ballance Agri-Nutrients
Limited**

Dated 3rd of May 2019

1. **INTRODUCTION**

2. My name is Warwick Catto. I am the Science Strategy Manager for Ballance Agri-Nutrients Limited ('**Ballance**' or '**the Company**') and I have been employed in this role for over 10 years.

3. Ballance is a farmer-owned co-operative with over 19,000 shareholders and approximately 800 staff throughout New Zealand. The Company owns and operates super-phosphate manufacturing plants located in Tauranga and Invercargill, as well as New Zealand's only ammonia-urea manufacturing plant located at Kapuni, South Taranaki. Ballance also owns and operates the agricultural aviation company 'SuperAir' and 'SealesWinslow' (a high-performance compound feed manufacturer). Ballance owns and operates ten Service Centres which supply fertiliser to farms across the Waikato Region.

4. Ballance lodged submissions¹ and further submissions to Proposed Plan Change 1 to the Waikato Regional Plan (hereafter referred to as '**PC1**'). In addition to this, Ballance presented evidence to the Hearings Panel with regard to Objectives 1 and 3, during the Block 1 phase of the Plan Change.

5. For completeness, I confirm that I am authorised to present this evidence on behalf of Ballance. I am not presenting technical expert evidence, and as such, this brief should be read as "company evidence" expressing the position of Ballance.

6. **SCOPE OF MY EVIDENCE**

7. In my evidence, in order to provide context to the submission points and relief sought by Ballance with regard to the Block 2 Hearings, I:

- a. set out a background to the Company, its operations and experience with farm management systems; and
- b. address the key operational implications associated with the application of Schedule B.

8. **BACKGROUND: THE COMPANY**

9. Ballance owns and operates ten Service Centres which supply fertiliser to the majority of the farms in the Waikato Region. In addition to manufacturing and sales, Ballance provides farm sustainability services.

10. As identified in the evidence of Mr Ian Tarbotton, Ballance's Science Extension Manager, during the Block 1 Hearings, Ballance Agri-Nutrients is a science-based company, and is extremely conscious of its corporate, community and New Zealand-wide responsibilities. A core value of the Company is to use the best science to inform sustainable nutrient management.

¹ Original Submitter ID: 74036

11. Ballance takes its environmental responsibilities seriously, and is committed to long-term sustainability. Ballance takes a continuous improvement approach to environmental management, and in this context, offers a number of services to its shareholders to assist in the management of their farming operations.
12. Such services include the provision of specialist advisors who are employed to undertake Farm Nutrient Budget Assessments, establishing Nutrient Reference Points ('NRP') and develop Farm Environment Plans ('FEP'), amongst other offerings. The objective of these advisors is to assist with the development of environmentally and economically sustainable practices across the board.
13. Ballance is supported in its submission by evidence and a presentation to the Panel by Ms Jess Shailer, who is currently a Farm Sustainability Services Specialist for the Company.
14. **SCHEDULE B - NITROGEN REFERENCE POINT**
15. As noted in its submission, Ballance broadly supports PC1, along with the general use of Overseer and the application of a NRP as a means of forming a regulatory framework to manage diffuse discharges, and ultimately achieve the desired water quality outcomes.
16. However, the Company's submission to Schedule B of PC1, identified a number of matters that it considers require amendment to ensure the accurate recording and modelling of nutrient information. In particular, the Company noted that the proposed wording of the Schedule results in a degree of ambiguity with regard to the outputs following Overseer version updates. The consequences of version updates can be significant and can result in the requirement to undertake considerable additional data entry and recalculation in order to ensure that benchmark figures and reference points are accurate. The Company submitted that the implications of changes to Overseer could result in a significant effect on landowners/users and as a result the management of Overseer changes should be guided by reference to the document "Using Overseer in Regulation" prepared by Freeman Environmental and dated August 2016, which is accepted by the industry as a keystone document for ensuring consistency in the application of Overseer.
17. It is noted that the section 42A officers have acknowledged the difficulties that result from changes to Overseer versions. At paragraph 173 of the section 42A report, the officers noted that upcoming changes to Overseer, moving it to a web-based platform, will result in changes to its operation that will enable historical base Overseer data to be automatically updated, resolving some of the ambiguity and costs identified in the Company's submission. In

addition to this, the officers have recommended changes to clause c. of the schedule, clarifying that the NRP must be updated using the initial reference data whenever an updated version of the Overseer model is being used; and clause d., requiring compliance with replacement technical guidance material provided by Overseer. Having reviewed the proposed changes recommended, the Company is of the opinion that the changes largely address the matters raised in its submission and as a result, are supported.

18. Clause f. of the Schedule identifies the Nitrogen Reference Period as being between 1 July 2014 and 30 June 2016. This period is significant, as it creates a benchmark by which future farming activities are measured against. In its submission, the Company identified that this 24-month period provides for a very limited window by which to establish a baseline against. To this end, it is considered that such a timeframe does not take into account the variances that occur over time due, including, for instance, weather conditions, cropping rotations or market fluctuations. The Company sought that the Nitrogen Reference Period be amended to also include reference to the farming activities undertaken during the 2012/2013 and 2013/2014 period and that these values be considered in conjunction with the 2014/2015 and 2015/2016 values, with the ability to choose any two years as the reference point years. It is noted that the S42A officers have not proposed for this amendment to be adopted in their recommendations to the Panel.
19. As a means of understanding the implications of the proposed shortened reference period, I have reviewed the NIWA publication *New Zealand Climate Summary: Summer 2014-2015*² in order to provide some context. This document provides an overview of the summer weather pattern for this summer period. It notes that the Waikato region experienced well below normal rainfall conditions (being less than 50% of normal summer rain), as well as experiencing above normal temperatures and below normal soil moisture levels. I understand that typically, such conditions require farming activities to be considerably amended from 'normal'³ operations in order to be sustainable during these periods, including the substantial reduction in stocking rates.
20. Having undertaken this analysis, I am of the opinion that the reference period proposed in PC1, and supported by the S42A officers, may result in NRP benchmarks that are not an accurate reflection of 'typical' farming operations. As such, limiting future discharges to these levels may result in unsustainable economic outcomes for farmers and subsequently the community. In light of this, the Company continues to propose an amendment to the

² https://www.niwa.co.nz/sites/niwa.co.nz/files/Climate_Summary_Summer_2015.pdf

³ Normal being a reflection of the typical operations experienced during average weather conditions.

Nitrogen Reference Period, as provided in its submission, increasing the period from 24 months to 48 months so that an accurate reflection of farming activities can be benchmarked.

21. **CERTIFIED NUTRIENT MANAGEMENT ADVISER**

22. Given the reliance that PC1 places on the application of the NRP and use of Overseer to identify, measure and manage farming activities in the Region, the Company considers it essential that these tools are operated by a suitably qualified and experienced person with specialist skills in nutrient use and management.

23. In its submission, the Company sought that the definition of 'Certified Farm Nutrient Adviser' be replaced by a definition for a 'Certified Nutrient Management Advisor' and that a prerequisite for this position is for the person to be qualified under the Nutrient Manager Adviser Certification Programme Ltd ('**NMACP**'). The NMACP is a programme developed by the primary sector with the aim of building and upholding a transparent set of industry standards for nutrient management advisers to meet, so that they provide nationally consistent advice of the highest standard to farmers.

24. The NMACP requires nutrient management advisers to have:

- demonstrated they have appropriate qualifications, or equivalent field experience, with a suitable training record on a range of subjects prescribed by NMACP;
- successfully completed the Intermediate and Advanced courses in Sustainable Nutrient Management in New Zealand Agriculture via Massey University; and
- passed a competency assessment to demonstrate their skills and knowledge meet required standards.

25. Once certified, advisers must:

- Work to the NMACP Code of Ethics and Rules of Conduct;
- complete a minimum of 15 hours of continuing professional development each year to maintain their certification; and
- make nutrient management reports available for auditing purposes.

26. The section 42A officers have provided an analysis of the submissions relating to the definition of Certified Farm Nutrient Adviser at paragraphs 643. to 649. of the section 42A report. In that analysis they note:

643. Ensuring NRPs are accurate, robust and consistent across the board is therefore vital to the implementation of PC1 and for developing an information base for future planning. In relation to submissions suggesting the definition is vague or sets the bar too low, the Officers agree and consider the implications

of inadequate nutrient modelling could potentially undermine the intent and outcomes of PC1. NRPs calculated by advisors lacking the necessary technical skills could lead to potential intensification on some properties, while other landowners may be unfairly restricted. Therefore, Officers recommend that the minimum nutrient management training required is raised to an advanced level to ensure that advisors are suitably qualified.

27. As a result of this, the officers have accepted Ballance's submission (in part) and amended the definition of Certified Farm Nutrient Advisor as follows:

Certified Farm Nutrient Advisor: *is a person or entity certified by the Chief Executive Officer of Waikato Regional Council ~~and listed on the Waikato Regional Council website as a certified farm nutrient advisor~~ and has the following qualifications and experience as meeting the following criteria:*

- a. Is a certified as a Nutrient Management Adviser under the Nutrient Management Adviser Certification Programme Ltd; or Has completed nutrient management training to at least intermediate level, and*
- b. Has completed nutrient management training to at least an advanced level, and ~~h~~Has at least two years experience in nutrient management planning;*

and agrees to follow the procedures and guidelines set out by Waikato Regional Council and audits of the Certified Farm Nutrient Advisor's work by Waikato Regional Council show that that the Advisor is preparing robust and reliable nutrient loss reports.

Note: Certified Farm Nutrient Advisors will be listed on the Waikato Regional Council's website.

28. Whilst the recommended amendments do not completely adopt the relief proposed in the submission, the Company is of the opinion that strengthening the qualification requirements and providing specific reference to the NMACP is appropriate and addresses the Company's concerns regarding the implementation of the Plan Change provisions. As a result, Ballance supports the amendments proposed.
29. Further to the above, and as also identified in the Company's submission, such an approach is consistent with the direction that other regional councils are advancing, such as the Canterbury Regional Council, in similar plan change processes throughout New Zealand. As an organisation that operates throughout the country, the Company believes that regional consistency is important and a key element in ensuring the successful application of nutrient management provisions in planning documents.

30. **CONCLUSION**

31. Ballance Agri-Nutrients are a key stakeholder in the primary production industry and an active participant in assisting farmers to monitor and manage their operations. As a whole, the Company generally supports the framework provided by PC1.
32. To ensure that the application of PC1 results in balanced, equitable and achievable outcomes for all stakeholders however, the Company considers that a number of, in its opinion, minor amendments are required. Such amendments include changes to Schedule B; process changes to provide consistency with the application of Overseer; recognition of the appropriateness of the Nutrient Manager Adviser Certification Programme Ltd as a pre-requisite to the Certified Nutrient Management Advisor role; and an increase to the timeframe applicable to the Nutrient Reference Period to more accurately reflect the variances resulting from climatic change, farm management and market conditions.
33. I thank the Commissioners for their consideration of this statement of evidence.

Warwick Catto

Science Strategy Manager, Ballance Agri-Nutrients Limited

3rd of May 2019