

**IN THE MATTER** of the Resource Management Act 1991.

**AND**

**IN THE MATTER** of Proposed Plan Change 10 (Lake Rotorua Nutrient Management) to the Bay of Plenty Regional Water and Land Plan.

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**STATEMENT OF EVIDENCE BY KEVIN WOOD**

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**1.0 INTRODUCTION**

- 1.1 My name is Kevin Wood. I am the Environmental Manager for Ballance Agri-Nutrients Limited<sup>1</sup> and I have been employed in this role for almost two years. I hold the qualification of Master of Resource Planning from Massey University and a Bachelor of Science (with Honours) from Carleton University in Canada. I have more than 20 years' experience in New Zealand as an environmental scientist and I am a Member of the New Zealand Planning Institute. As the Environmental Manager for Ballance, I am responsible for evaluating all plan changes that may impact upon the Company's operations and affect our shareholders and clients.
- 1.2 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). Within the Bay of Plenty Region, Ballance owns and operates Service Centres which supply fertiliser to farms, including within the Rotorua Lakes catchment.
- 1.3 In addition to manufacturing and sales, Ballance provides farm sustainability services including expertise in the application and auditing of OVERSEER files.
- 1.4 Ballance lodged further submissions to proposed Plan Change 10.
- 1.5 For completeness, I confirm that I am authorised to present this evidence on behalf of Ballance.

**2.0 SCOPE OF MY EVIDENCE**

- 2.1 My evidence will cover:
- a. An overview of Ballance's submission points regarding the application of OVERSEER and the concerns that the Company has regarding the version control of the programme within the proposed Plan Change;

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<sup>1</sup> Hereafter referred to as 'Ballance' or 'the Company'.

- b. The application of an output based approach to nutrient management versus an input based approach and why Ballance considers the output based approach to be appropriate; and
  - c. The application of good management practice in the proposed Plan Change.
- 2.2 In preparing this evidence I have considered (in no particular order) the proposed Plan Change documents, the submission and further submission documents, the Council Officer's Section 42A report and the evidence of a number of technical experts, including that of Mr Chris Hansen on behalf of Ravensdown Limited ('**Ravensdown**') and Ms Bethany Bennie on behalf of the Fertiliser Association of New Zealand ('**FANZ**').

### 3.0 OVERSEER

- 3.1 The Company's further submissions on the issue of OVERSEER version use and reference related to the specific identification of versions 5.4 and 6.2.0 within the proposed Plan Change document. In its further submissions, the Company supported the positions of Ravensdown and FANZ, both of whom generally concluded that it is important to use the appropriate version of OVERSEER, rather than a version that has been made redundant and is no longer accessible. I note that the identification of an old version of OVERSEER in the Plan Change documents is not considered good practice, but rather as an inaccurate means of benchmarking. For these reasons it was requested by Ravensdown and FANZ, and supported by Ballance within its further submissions, that specific references to a particular version of OVERSEER should be deleted (for example, this would mean that the reference would be replaced with the term '*the latest version of OVERSEER*', or similar).
- 3.2 Proposed Plan Change 10, within its Introduction, appears to promote an adaptive management approach to nutrient management. Ballance in its further submissions, stated that for adaptive management to occur there must be provision for change, such as that caused by advances in science. As such, in order to ensure that the most up to date and accurate information is produced, it is essential that the Bay of Plenty Regional Council ('**Council**') use the most up to date version of OVERSEER, rather than a version that has been superseded. The Company's further submissions noted that to not do so creates questions as to the appropriateness of the loads and allowances that are prescribed.
- 3.3 The Company is very familiar with OVERSEER. I am not a technical expert, but I am aware that it is constantly being refined and developed to provide for more accurate modelling as technology and science advances. OVERSEER is a model that calculates and estimates the nutrient flows in a productive farming system and identifies the risk for environmental impacts through nutrient loss. I note that models are not an entirely accurate representation of reality. It is for this very reason that the Company lodged further submissions in support of the submissions made by Ravensdown and FANZ to the proposed Plan Change, to ensure that the provisions reflect that improvements in the accuracy of OVERSEER will come with time, as the system evolves and develops, and that the policy and rule framework of the Plan Change should not be fixed to an outdated and inaccurate tool.

- 3.4 I note that Mr Chris Hansen, for Ravensdown, provides a detailed analysis and assessment of the use of outdated versions of OVERSEER in his evidence<sup>2</sup>. The evidence also provides an analysis of the response to this by the reporting officer in the section 42A report. The Officer's response concludes that specific OVERSEER versions are specified in the proposed Plan Change in order to provide certainty to landowners, by 'locking in a number'. Whilst Ballance understands the intent of this approach, when applying a more holistic view to the issue, the Company considers that it is more important to ensure that the information being used to make decisions is accurate, rather than simply ensuring that it is consistent. Taking this further, I believe that a planning framework that provides for consistent decisions will ensure equity, but a framework that ensures the making of consistently inaccurate decisions will not achieve the desired outcomes.
- 3.5 In addition to this, I am aware that there are a number of operational constraints associated with the referencing of an outdated version of OVERSEER. As I understand it, once the current version of OVERSEER is updated, it is difficult to access a previous version. As such, whilst the intent of the provision is to provide certainty, from a practical sense, the Plan will fail to be effective at achieving the consistency desired as it will be rendered unuseable.
- 3.6 As such, Ballance seeks that proposed Plan Change 10 be amended so that the most up to date and accurate OVERSEER versions can be utilised, without the requirement for a plan change to occur each time that OVERSEER is updated and previous versions have been superseded or rendered redundant.

#### **4.0 OUTPUT BASED APPROACH**

- 4.1 In its further submission, the Company contended that an output based approach to nutrient management is needed to give full and proper effect to the National Policy Statement for Freshwater Management ('NPSFM'), which is a requirement of the Resource Management Act 1991<sup>3</sup> ('the Act').
- 4.2 As I understand it, an output based approach seeks to manage the results of activities on the environment, rather than directly manage the activities themselves. Through the Company's involvement in environmental regulation development throughout the country, it is clear that the output based approach is considered to be best practice and more likely to result in the environmental outcomes desired. As identified in the Company's further submissions, the output based approach has not been consistently adopted throughout the proposed Plan Change 10 document. In this respect we note that Mr Hansen concludes, within the evidence<sup>4</sup> he has submitted on behalf of Ravensdown, that while the Officer has recommended that Ravensdown's request to implement an output based approach be accepted in the introduction of the rules, the request to amend the rules themselves<sup>5</sup> has not been accepted by the Officer within the section 42A report.
- 4.3 The Company is concerned that an input based approach has the potential to constrain or hinder innovation, and thus comes with greater (and potentially,

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<sup>2</sup> At paragraphs 43 to 54.

<sup>3</sup> Section 55(2) of the Resource Management Act 1991 states that: *A local authority must amend a document, if a national policy statement directs so; (a) to include specific objectives and policies set out in the statement; or (b) so that objectives and policies specified in the document give effect to objectives and policies specified in the statement.*

<sup>4</sup> At paragraphs 25 to 35.

<sup>5</sup> As highlighted in paragraph 26 of Mr Hansen's evidence.

unnecessary) social and economic costs. In my experience, the input based approach that consists of controlling activities through prescribed regulation, can result in land users blindly following the rules, such as applying the maximum nitrogen limits, even when they are not required.

- 4.4 As such, the Company is seeking that the Plan adopt a true output based approach to nutrient management. As identified in the Company's further submissions, and the submissions of Ravensdown and FANZ, such an approach will result in changes to the current rule framework.

## **5.0 GOOD MANAGEMENT PRACTICE**

- 5.1 In its further submission, the Company supported the position of Ravensdown, that sought amendments to policies LR P2, LR P4 and LR P8 to incorporate references to good management practices ('GMP'). The Company is actively involved throughout the country with the education and adoption of GMP on farms that it supports and provides advice to. Further to this, the Company plays an active role with industry groups to further develop and refine GMP in an effort to ensure that environmental and economic outcomes are able to be achieved. Through this experience, the Company sees first hand that properly implemented GMP results in positive outcomes.

- 5.2 In my experience with the Company, the way that GMP works is that the practical experience of land users is combined with scientific development to produce an adaptive management tool to suit local, site specific conditions. The approach results in continuous improvements to operations and encourages innovative solutions to produce physical change. The concept is widely accepted around the country and, in my experience, is an effective means of achieving the desired nutrient management outcomes. As a result of this, I believe that GMP forms an integral part of any regulatory document and as a portion of a wider package to address nutrient management.

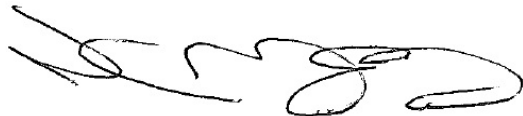
- 5.3 Having reviewed the proposed Plan Change however, I am of the opinion that the integration of the GMP principles throughout the document do not appear to go as far as they could. For example, as detailed at paragraph 63 of Ravensdown's evidence, Mr Hansen states:

*'I note that the s.42A Report (pages 96; 109; 126 Appendix 3) recommends Policy LR P2 be amended as requested by Ravensdown, Policies LR P4 and LR P8 are recommended to be accepted in part without amendment. The reason given for this is because the s.42A Report (Appendix 3) considers provision for best / good management practices is already covered by Policy LR3; this does not need to be repeated in these policies. Also, further emphasis on good management practices has been included within Schedule LR6. I note that GMP in PPC10 is only referenced in Policy LR P2 and Schedule LR Six and only in relation to phosphorus management. Method RL M5 refers to 'industry good practice'.*

- 5.4 Through the Company's experience across the country, the implementation of GMP is able to result in considerable improvements to nutrient management on the farm. As a result, the Company considers that it forms a logical part of the overall package to be employed through plan changes such as this. Therefore, I am of the opinion that proposed Plan Change 10 should be amended to reflect GMP throughout all of its relevant provisions, rather than just through a limited number, and as such, appropriate weight should be given to GMP as an effective tool in the nutrient management field.

**6.0 SUMMARY**

- 6.1 As detailed in its further submissions, Ballance is supportive of the general direction provided in proposed Plan Change 10. However, as identified in the preceding sections of my evidence, there are a number of practical aspects within the proposed Plan Change documents that, in my opinion, will impact on its effectiveness to achieve the desired outcomes.
- 6.2 In conclusion, I thank the Commissioners for their consideration of this statement evidence.

A handwritten signature in black ink, appearing to read 'Kevin Wood', written in a cursive style.

**Kevin Wood**

Environmental Manager, Ballance Agri-Nutrients Limited  
6<sup>th</sup> of March 2017