

**IN THE MATTER**

of the Resource Management Act 1991

**AND**

**IN THE MATTER**

Lake Rotorua Nutrient Management –  
**PROPOSED PLAN CHANGE 10** to the Bay of  
Plenty Regional Water and Land Plan

**BETWEEN**

Sharon Morrell (submitter 62)

**AND**

Bay of Plenty Regional Council

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**STATEMENT OF EVIDENCE OF SHARON MORRELL**

**5 March 2017**

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9 Ngahu St  
Rotorua

## **1. INTRODUCTION**

- 1.1 My full name is Sharon Mary Morrell.
- 1.2 I hold a Bachelor of Agricultural Science (Honours) from Massey University. I am a Nuffield Scholar and alumni of the Kellogg Rural Leaders Programme. I have also completed Massey University's Advanced Sustainable Nutrient Management in New Zealand Agriculture Course.
- 1.3 I have 13 years' experience working with farmers in advisory roles supporting their farm management decisions, including 7 years working for DairyNZ in Rotorua. I have many years dairy farming experience myself, although am now a resident in Rotorua.

### **Background**

- 1.4 I am familiar with Lake Rotorua Nutrient Management – Proposed Plan Change 10 to the Bay of Plenty Regional Water and Land Plan (referred to throughout as PC10).
- 1.5 My involvement in the PC10 process has amounted to communication with and, mostly indirect, facilitative support of farmers in the Lake Rotorua catchment – DairyNZ's chief connection with the process was through our policy analyst, Oliver Parsons. Part of my work with DairyNZ involved support of the Sustainable Farming Fund project (2011-2015) on reducing nutrient loss from dairy farms in the Lake Rotorua catchment, with my role focused on engaging dairy farmers in learning about and applying management practices that reduce nutrient loss. Prior to working for DairyNZ I was self-employed, including carrying out supervisory work for Colin Armer, then a dairy farmer in the catchment, and I represented him on the Lake Rotorua Dairy Farmers Action Group.
- 1.6 I am providing evidence as a resident of Rotorua, not as an employee of DairyNZ. I have lived in the Lake Rotorua catchment for 19 years – 8 of those on two different dairy farms, and the balance in two locations in town. I am an active user of the lake – my children have variously been members of the Rotorua Rowing Club since 2005 and I took up rowing myself in 2014.
- 1.7 The purpose of this evidence is to provide the Hearing Commissioners with an outline of the outcomes I seek and the overarching reasoning I would like to focus on. My disclaimer is that I am not a policy specialist and hence my evidence will be more along the lines of generic themes rather than a point by point address of the plan change, submissions and expert evidence.

## **2. SCOPE OF EVIDENCE**

2.1 My evidence addresses the following matters:

- (a) The importance of instilling confidence in all actors in environmental improvement efforts, but especially so for those who must take significant action - and the relationship of this need for confidence to each of my submission points;
- (b) Findings concerning producers in general, and Lake Rotorua dairy farmers specifically, that were uncovered as part of preparation of my Nuffield report (“Navigating Constraints: Primary producers coping in changing contexts” – this report can be found at <http://www.nuffield.org.nz/projects/> ) – and the relation between my Nuffield findings and the outcomes sought in my submission;
- (c) Support for some of the actions and changes already embarked on by BOPRC as seen in the Section 42A report, evidence and Proposed Plan Change 10: Lake Rotorua Nutrient Management – Track Change version 5.0;
- (d) Throughout my evidence I refer to the track change version (5.0) of PC10 for numbering of provisions that follow the PC10 Staff Recommendations. Where relevant, I comment on the Council section 42A report and expert evidence for the Council, as it relates to outcomes I seek; and
- (e) Conclusions.

## **3. SUBMISSION POINTS IN RELATION TO COMMUNITY CONFIDENCE**

- 3.1 The overall outcome I seek is to have a rule framework and processes that engender confidence from and collaboration with the whole community, especially for farmers - those who will implement the actions that reduce nutrient loading from land use to Lake Rotorua (and who are thus most affected by the rules). I desire outcomes from Plan Change 10 that are desirable in the interests of water quality, community spirit, equity and certainty for farmers (‘the implementers’) – and confidence for everyone that these are being effectively and efficiently achieved.
- 3.2 There is considerable interest in the outcome of the next science review, especially given the change in belief about which nutrient has been limiting Lake Rotorua. The Regional Policy Statement target focus on reducing nitrogen loss alone, and so substantially, has been the subject of much debate. PC10 seeks to give effect to this RPS target, which was set based on nitrogen being the limiting nutrient, before lake evidence made the limiting effect of phosphorus apparent. For this reason, the Council’s section 42A report and proposed changes to PC 10 providing that the reviews and recommendations of LR M2 points (a) to (e) “will” occur (as opposed to version 4.0’s “may”) is welcome (and is in accordance with my first submission point, although I have mistakenly referred to LR M3, not LR M2).

- 3.3 Incorporating robust peer-reviewed science reviews that **will be** received and responded to by Council improve the possibility of real and effective impacts on lake water quality and the confidence of the community in the processes being undertaken to achieve them. Version 5 of PC10 makes explicit the fact that the rules it contains are directed toward farmers, not all 'land users'. Given the previous history of suspicion and animosity between Council and farmers it is important that the rules that address this group of people are truly rational and iterative. There is a lot at stake for this group of catchment dwellers, who must change their farming practices, perhaps even their fundamental land use, and bear the impact not only on income but also on the value of the asset that is often envisaged as providing for their retirement (especially dairy farmers, as described by both Lee Matheson and Graeme Doole in their evidence). Farmers, more than most others, need the confidence I believe is vital to their commitment to achieving the wider outcomes sought. This confidence must extend from the science, through to the targets and rules adopted, and to the iterative way these are constructed, advised on, implemented, and reviewed; we must see that in all these aspects of driving toward better water quality members of the community are still allowed to provide for their social, cultural and economic wellbeing, and maintain wider community resilience.
- 3.4 Regarding the second point of my submission, I am pleased to see that the reference file methodology has already undergone a review to ensure it better represents actual farms in the Lake Rotorua catchment (as they were operated during the Rule 11 benchmarking years) and hence should achieve its intent of efficiency without penalising some farm systems. I trust it will be well reviewed to ensure it remains fit for its purpose (efficiency and maintaining allocation certainty to farmers) throughout future updates to Overseer – another way to support confidence in the wider processes related to achieving water quality targets in Lake Rotorua.
- 3.5 My third and fourth submission points relate to Schedule LR Six – Nutrient Management Plan requirements (renamed in version 5.0 from Nitrogen Management Plan). PC 10 is designed to give effect to the targets etc of our Regional Policy Statement. I believe outcomes, not inputs, are better measures philosophically, especially in New Zealand, where we pride ourselves on our ingenuity and problem solving! During my Nuffield travels I observed the frustration of farmers in various EU countries that must farm by calendar dates, rather than (for example) soil moisture conditions.
- As with my earlier points, we need confidence that the Nutrient Management Plans will contribute to the water quality outcomes desired without generating unintended consequences - eg rigidly holding farmers to actions that may not prove to be most effective in time, or that constrain their ability to act in a responsive and business-like manner. The exercise of preparing one of these plans, alongside

Overseer scenarios, should be to aid the farmers (with their advisors) to work through their options and to decide on their best set of management decisions (at the time) to achieve their nitrogen allocation. The provision of that plan to Council assures Council the farmer has thought through and can apply what they must do to achieve their nutrient loss targets. However, I believe that to enforce each of these multitude of management actions, rather than the outcome (which is the nitrogen lost to groundwater from the farm, as modelled by Overseer) is a backward step. Farming occurs within both market and climatic volatility and farmers need day to day flexibility, along with year on year flexibility to modify elements of their farm management practices to survive. The last couple of years have been a case in point – with vastly reduced milk incomes, farmers cut surplus stock going into 2015 (which, leaving all other things equal, would have decreased nitrogen loss); however, they had good pasture growth through summer and autumn, so may have milked their cows a bit longer to help compensate for the decrease in productive cows and decrease in milk value (Overseer is needed to decide what the net result in terms of nutrient loss would be). Similarly, pasture production has been down this season, so either feed has been purchased (which may have lower nitrogen content than the pasture it replaced), or cows have both been fed less and made less milk – with a possible reduction in nitrogen loss. To set up only one combination of management actions on farms may have an earlier, or greater, negative effect on farm profitability, and discourages the testing of options through Overseer to find out the actual impact on groundwater. Canterbury are using a rolling average Overseer result, which I believe is a more useful policing mechanism for farming impacts on water quality than a Nutrient Management Plan. As a Rotorua city resident I would like to think each farmer could tailor their actions in a way that suited both the external changes they meet periodically and meets our water quality expectations.

- Including superfluous requirements in a Nutrient Management Plan alienates the people providing them. Effluent management is already consented and enforced under another process. I believe including it here is redundant and may engender cynicism about ‘red tape’.
- The additional clauses about effluent management, irrigation water management and gorse management (elements of nitrogen management and hence covered inherently in 5 (a)) contribute to a sense that Council wants to micromanage every detail – and this is not conducive to that sense of confidence and mutual effort I refer to throughout this presentation.
- Adding in more detail about phosphorus management as part of the Section 42A report furthers the sense of micromanagement – Version 4.0 of PC10 asked for “implementation of industry best practice management measures to avoid or reduce the risk” of phosphorus and sediment loss. Version 5.0 adds five clauses

about critical source areas - these are key “risk areas” and as such inherent in Version 4.0’s 5 (b) directive.

- 3.6 As a resident of Rotorua I’m opposed to the ‘gift’ of sector average nitrogen allocation to any property that has remained uncompliant by not submitting to a benchmarking process. Council processes should promote confidence not only in carrying out the process, but also in the equity of allocation – sector average seems to me to be a ‘generous’ allocation in the face of non-compliance.
- 3.7 PC 10 would benefit from the addition of support from Regional Council for sub-catchment land-care type groups (or similar), based on a defined locale. These would include all land owners and those that either affect or are affected by lake health, and would facilitate local cross-sector/community collaborative efforts to improve the TLI of Lake Rotorua (in LR M5). While this plan change is largely about the actions required of farmers, enlarging the sphere to include actions both within and alongside the farms, and including both farmers and others would give a vote of confidence in the ability of us all to contribute in an active and meaningful way to improving our water quality. The danger of having a large piece of regulatory work devoted to a relatively small portion of the community is that it misses the opportunity to engage people more widely. The value of doing so goes beyond the tangible (though possibly small) amount of nitrogen that may be reduced by a sub-catchment group to the intangible, yet vital, impact on community spirit. Thus I support the staff recommendation to add a point: (f) “Work collaboratively with community and industry experts to facilitate local community efforts to improve the water quality of Lake Rotorua.

#### **4. FINDINGS FROM NUFFIELD STUDY IN RELATION TO INSTILLING CONFIDENCE**

- 4.1 The term ‘environmental efficacy’ was explored, and it featured in the data I gathered via a survey of Rotorua farmers. The term describes farmers having “confidence in the functioning of the broader change process.” This is about stakeholders, peers and processes working effectively toward achieving the outcomes targeted by an environmental limit setting and implementation method. This submission is not about the environmental limit setting part of this journey (although following the science review perhaps soon this may be revisited in a more collaborative way through a fresh Resource Management Act process?) – it is about the establishment and implementation of rules. One surveyed farmer said they gained early insight about (farm management) options from involvement in the ‘process’. Given that some farm management changes to reduce nutrient loss require differing capability to what a farmer already has, early consideration of and learning about those options will help facilitate their effective implementation. It may be that a prerequisite for a farmer’s own adaptation is having confidence in the wider change process: in the regulators, networks and other agents that facilitate, and in their peers as partners in acting to

achieve the desired outcomes. Unfortunately, most of the feedback on this aspect in the survey I undertook, was negative – describing lack of confidence. Therefore, I believe adapting PC10 to better instill confidence in both the farmer implementers and the community supporters is vital.

- 4.2 Methods to achieve environmental outcomes that are different to the traditional enforcement of individual allocations are being implemented even in the EU (which has traditionally preferred the clear cut and more readily enforced individual and/or input rules). For example, in Holland I observed instances of collective efforts being trialled and supported by regulators as a better route to efficient attainment of nature area objectives. Farmers described both the greater efficiency of apportioning restrictions between themselves in a way that suited the individuals best and worked better with non-farmland adjoining them, and the sense of empowerment that drove their implementation of these restrictions collectively. This relates to my suggestion of adding Council support for landcare type groups/activities.
- 4.3 Nearly all overseas farmers facing environmental limits responded in a way that reinforced their social licence – they commented on doing things because of the positive impacts they would have. Over half of Rotorua farmers surveyed said they had taken actions to improve their impact on the environment, and over half stated they had taken actions that would be viewed favourably by their neighbours/community. Focusing lake Rotorua farmers on outcomes will build on this more effectively than focusing on the minutiae of myriad inputs to a Nutrient Management Plan.
- 4.4 When looking to support farmers in making changes to meet environmental limits, items of next highest significance (after social licence) to overseas producers were:
- sound business management - providing a secure platform from which to adapt;
  - significance of networks;
  - the contribution of efficiency or scale;
  - and the value of consciously taking stock of the resources available for reorganisation.

Also important was an awareness of their own impact, and a heightened attention to their locale.

These points can guide both Council and industry groups as to the nature of on-going support that will be valuable to farmers as they implement PC10, particularly as they adapt their management and business decisions to achieve nutrient loss targets.

In conclusion, I believe the rules, the underpinning science review (and response) process and the implementation should all be designed and effected in ways that generate farmer's confidence in the functioning and outcomes of this broader change process.

## **5. DECISION SOUGHT BY SHARON MORRELL**

- 5.1 In this section of my evidence I refer to the decision I seek and where this differs from the Section 42A staff report. I refer to each of the 6 points in my submission.
- 5.2 Point 1 of the submission is concerned with changes to LR Method 2 (not 3, as I have mistakenly stated in my submission). I support the recommendations of the Section 42A staff report.
- 5.3 Point 2 of the submission is concerned with the use of OVERSEER and reference files. I support the Council officers work thus far in reviewing the reference files and how farms systems are represented.
- 5.4 Points 3 and 4 of my submission relate to the Nutrient Management Plan (NMP) requirements. I do not support the Section 42A staff report recommendation to reject my (and other submitters') submission points that request that outcomes should be managed rather than inputs. I also request the items in the NMP be reduced/rationalised to eliminate the sense of micromanagement.
- 5.5 Point 5 of my submission relates to Schedule LR One. Where properties have not been benchmarked I ask they be allocated a start point that is a function of the lower nitrogen discharge allocation (not the average) in their sector range.
- 5.6 Point 6 of my submission relates to LR Method 5. I support the Section 42A staff report recommendation to include a point, "(f) Work collaboratively with community and industry experts to facilitate local community efforts to improve the water quality of Lake Rotorua."

**SHARON MORRELL**

**5 MARCH 2017 (LODGE ON 6 MARCH)**