

## **APPENDIX 3**

### **Explanation of track changes in red in FFNZ track changes document 26 April 2017**

1. An explanation of the specific changes marked in red in Federated Farmers' track changes document dated 26 April 2017 and why they are within the scope of Federated Farmers' submission on Proposed Plan Change 10 ("PPC10") is provided below. The page references are to the specific page in the track changes document in Appendix 2 of the Memorandum on behalf of Federated Farmers dated 26 April 2017.

#### **Scope and integrated framework (pages 1 and 2)**

2. His Honour Judge Whiting has raised concerns about the scope to manage or provide for urban activities and that the intention of PPC10 was to manage rural activities (with urban discharges addressed elsewhere in the RWLP). Federated Farmers recommended an integrated framework that included urban as well as rural. If the Hearing Panel remains concerned about including urban, Federated Farmers proposes to remove urban as shown in the amendments in red to the sections on scope and the integrated framework.
3. An amendment has also been made to the bullet point about rural responsibility (at the top of page 2) to adopt the exact wording in Policy WL 6B(a) (being the intention of the submission point).

#### **Lake Rotorua Integrated management (page 3)**

4. The paragraph under the heading "Lake Rotorua integrated management" on page 3 has been amended in red to refer to Policy WL 6B(c).
5. Federated Farmers' submission sought the inclusion of other relevant objectives and policies in the RWLP and RPS. In light of the fact that PPC10 will be an additional chapter in the RWLP (and subject to RWLP and RPS policies and objectives), Federated Farmers no longer seeks the inclusion of those objectives and policies. For the same reason, Federated Farmers considers that Policies WL 3B, 5B and 6B ought to be deleted from PPC10.
6. As a result of these changes, and in order for the paragraph at the bottom of page 2 of the track changes document to make sense, it is submitted that it is necessary to make the amendments in red. In terms of the relief sought by Federated Farmers, it is the

catchment intermediate target in Policy WL 6B(c) that is relevant and that is within the scope of Federated Farmers' submission.<sup>1</sup>

7. A further change is that Federated Farmers no longer seeks the inclusion of two new objectives because it considers that they were based on RPS Objective 26 and Policy IR 3B and PPC10 will be subject to them without the need to refer to them.

**Table LR 1 (page 3)**

8. Minor amendments have been made to correct a calculation error that involved removing 30tN/yr (due to rain on the Lake) from the first column and also (incorrectly) removing it from the second column.
9. The track changes version is confusing but for clarity:
  - a. Policy WL 6B requires reduction from 746tN/yr to 435tN/yr. The difference is 311tN/yr.
  - b. The 2022 target is 70% of 311tN/yr i.e. 218tN/yr.
  - c. The 2022 target of 218tN/yr is broken down as follows:
    - i. Engineering, gorse and incentives totalling 180tN/yr.
    - ii. Pastoral totalling 38tN/yr.

**Tables LR2 and LR3 (page 4)**

10. Federated Farmers' submission sought the significant amendment of Tables LR2 and LR3 to provide "indicative" numbers for pastoral sector loads and reductions. In light of the uncertainty surrounding the numbers, Federated Farmers now seeks the deletion of these tables. It is submitted that Table LR1 already adequately states the pastoral sector MRT to 2022 and the sector proportions. This is within the scope of Federated Farmers' submission which opposes allocation and individual NDAs.

**Policy LR P7 (page 8)**

11. The date of 1 July 2022 has been deleted from Policy LR P7 because it is Federated Farmers' submission that flexibility ought to be provided without a date restriction (i.e.

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<sup>1</sup> For example, Federated Farmers' submission number 075 is that farmers commit to the 2022 pastoral MRT (page 8, para 14), the policies ought to focus on reductions to 2022 (page 76) and "the primary focus for these rules is the period to 2022" (page 92).

from the outset and not from 2022).<sup>2</sup> This change is within the scope of Federated Farmers' original submission.

#### **Policy LR P9 (page 8)**

12. The paragraphs that referred to the use of land up to 40ha as a permitted activity have been deleted in Policy LR P9 because Federated Farmers' submission expressly provided for these activities through its amendment to Policy LR P10. Accordingly, this amendment is a consequential amendment to recognise that this is provided for in the new wording for Policy LR P10.

#### **Policy LR P10 and Rule LR R13 (pages 9 and 16)**

13. Minor cross referencing amendments have been made to Policies LR P9, LR P10 and Rule LR P13 to insert the numbers of the relevant rules.
14. Amendments have also been made to Policy LR P10 to change the dates from 2022 to 2017. The intention is to link the statement in Policy LR P9 (that all land uses are a permitted activity until 30 June 2017) with the rules (which do not have a start date and would arguably start on the date of notification). The intention is to continue the status quo that was established in the notified version of PPC10 i.e. a date of 30 June 2017 was selected to give land use activities time to comply with the rules or obtain consent.

#### **Method LR M2 (page 11)**

15. The word "may" has been replaced with "will" in Method LR M2 on the basis that Federated Farmers supported this change in its further submission.<sup>3</sup>

#### **Method LR M5 and Method 41 (page 11)**

16. As explained in the Memorandum on behalf of Federated Farmers dated 26 April 2017, Federated Farmers no longer seeks the inclusion of Method 41 in PPC10. Federated Farmers considers that subcatchment action plans are adequately provided for in the changes it seeks to paragraphs (a) and (b) of Method LR M5. For this reason, Method 41 is no longer included in either of the documents (Appendix 1 or 2).

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<sup>2</sup> Federated Farmers' submission 075, page 76 states that Federated Farmers "*strongly support provision for flexibility mechanisms e.g. offsets, transfer, trading, to enable development while maintaining or reducing nutrient losses.*"

<sup>3</sup> FS12-20 and this change has been adopted in version 5.0.

### **Method LR M5 (page 12)**

17. Paragraph (d) of Method LR M5 has been amended to include the preparation of nutrient management plans as one of the matters to be supported by land advisory services and incentives. This is a consequential amendment to link Schedule LR Six (as amended by Federated Farmers) with Federated Farmers' submission that:
- a. Farm management plans ought to be non-regulated.<sup>4</sup>
  - b. Council ought to increase staff resources (Land Management Officers) to support farmers.<sup>5</sup>
  - c. Any incentives funding ought to be used effectively and efficiently for a range of nutrient reduction strategies.<sup>6</sup>

### **Method LR M6**

18. Federated Farmers' submission sought the adoption of a method making provision for a process to recognise management practices and innovations which are not currently in Overseer.<sup>7</sup> The submission did not provide express wording. The track changes document contains express wording that uses almost identical wording to that which was contained in the submission.

### **Rule summary flow chart (page 13)**

19. The rule summary flow chart was not included in Federated Farmers' original submission. It is submitted that it is within scope because it simply illustrates how the rules (which are set out in detail in Federated Farmers' original submission) are intended to operate.

### **Rule 2 (page 14)**

20. A minor cross referencing change to refer to the stocking rate in Schedule LR Two (Federated Farmers does not propose any changes to Schedule LR Two).

### **Rule 3 (page 14)**

21. The definition of "nutrient benchmark" in Rule 3 has been amended to specify that the date for assessing the nutrient benchmark for properties that do not have a Rule 11

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<sup>4</sup> Federated Farmers Submission 075 page 39.

<sup>5</sup> Federated Farmers Submission 075 pages 47 and 52.

<sup>6</sup> Federated Farmers Submission 075 pages 6, 8 and 21.

<sup>7</sup> Federated Farmers Submission 075 page 90.

benchmark (or sufficient records dating back to 2001/04) is the period from 1 March 2013 to 29 February 2016.

22. It is submitted that there is scope to make these changes to the definition for the following reasons:
- a. The changes narrow the proposed benchmarking period to specific dates (rather than enlarge it).
  - b. The effects of a benchmarking period from 2013 to 2016 are likely to be very similar to the effects of Rule LR R5 on properties between 10 and 40ha. Paragraph (a) of this rule requires that there is no increase in nitrogen loss resulting from an increase in effective area, nitrogen inputs or stocking rates from 29 February 2016.
  - c. The explicit intention of Federated Farmers' proposal is to continue to regulate nitrogen discharges on the basis of Rule 11.<sup>8</sup> The proposed amendments are consistent with or give effect to that intention.
  - d. Federated Farmers sought amendments to Policy LR P10 to provide for the use of land for farming activities as a permitted activity provided there is no increase in nitrogen loss.<sup>9</sup> The proposed amendment to the definition can be viewed as a consequential change as a result of the amendment to this policy.
  - e. Federated Farmers' submission specifically seeks the replacement of Rules LR R1 to R12 with FF Rules 1 to 5 and "any consequential amendments."<sup>10</sup> It is submitted that the proposed changes are a consequential amendment of the relief sought in FF Rule 3.

#### **Rules 4 and 5 (pages 15 and 16)**

23. Paragraph g has been added to Rules 4 and 5. This paragraph refers to the preparation of a nutrient management plan in accordance with Schedule LR Six. The consequence of this amendment is to bring the preparation of a nutrient management plan within the matters of control or discretion for activities that cannot comply with the Rule 11 benchmark.

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<sup>8</sup> Federated Farmers' submission specifically supported the "existing rules for 'capping' nutrient discharges; including that rules be extended to include properties in the catchment not previously included in Rule 11", Submission Number 075, page 8.

<sup>9</sup> Federated Farmers' Submission Number 075, page 77.

<sup>10</sup> Federated Farmers' Submission Number 075, page 92.

24. It is submitted that this amendment is within the scope of Federated Farmers' submission. It provides a link between Schedule LR Six (as specifically amended in Federated Farmers' original submission) and the rules. It is also in the nature of refining the relief sought in the controlled and restricted discretionary activity rules as opposed to enlarging it.

#### **Definitions (page 17)**

25. A new definition of "block" is included. Federated Farmers' further submission supported this definition of "block" which was proposed by the Fertiliser Association New Zealand because it was consistent with the Overseer technical guidance document.
26. A further change is that the word "block" has been added to "cropping" for clarity. This does not change the definition.

#### **Schedule LR Six (page 22)**

27. A minor amendment has been made to substitute the words "reasonably practicable" for "reasonable, practical and affordable" in order to maintain consistency with RPS Policy WL 6B(a) and enhance readability. The terminology of "nitrogen management plans" has been replaced with "nutrient management plans," which is consistent with Federated Farmers' original submission<sup>11</sup> and other submissions on PPC10 (as recognised in Version 5.0 of PPC10).

#### **Schedule LR Seven (page 24)**

28. The section on the transfer of NDAs as well as the references to NDAs in the transfer of Managed Reduction Offsets and the maximum five year time limit for Managed Reduction Offsets have been deleted from Schedule LR Seven. Federated Farmers' submission did not specifically make deletions to Schedule LR Seven but the submission was clear that these matters were not supported and ought to be removed from PPC10.
29. It is submitted that the specific deletions to Schedule LR Seven are consequential amendments necessary to give effect to the relief sought in that an alternate integrated management framework is proposed, with rules focusing on the period to 2022 and targets and limits being reviewed and confirmed through the implementation of the NPS-FM through the Rotorua Lakes WMA community process.<sup>12</sup> The changes specifically

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<sup>11</sup> Federated Farmers' submission proposes an integrated framework for nutrients, not just nitrogen and it specifically submitted on replacing the word "nitrogen management plan" with "nutrient management plan" in the definitions section, Federated Farmers' submission number 075 page 97.

<sup>12</sup> Federated Farmers' submission number 075 page 92.

provide for the flexibility mechanisms contemplated in the amendments made to Policy LR P7 and FF Rules 4 and 5.