Before Hearing Commissioners at Waikato Regional Council in Hamilton

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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 Ian Tarbotton for Ballance Agri-Nutrients Limited

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Dated 15 February 2019

INTRODUCTION

1. My name is Ian Tarbotton. I am the Science Extension Manager for Ballance Agri-Nutrients Limited ('**Ballance**' or '**the Company**') and I have been employed in this role for 5 years.

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). Ballance owns and operates ten Service Centres which supply fertiliser to farms across the Waikato Region.

3. Ballance lodged submissions[1] and further submissions to Proposed Plan Change 1 to the Waikato Regional Plan (hereafter referred to as '**PC1**').

4. 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.

SCOPE OF MY EVIDENCE

5. In my evidence, in order to provide context to the submission points and relief sought by Ballance with regard to the Block 1 Hearings, I:

   a. set out a background to the Company, its operations and initiatives; and

   b. address the key operational implications associated with the achievement of the timeframes stipulated in Objectives 1 and 3.

BACKGROUND: THE COMPANY

6. 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.

7. 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.

8. The Ballance Agri-Nutrients Environmental Policy Statement, provided as **Attachment A,** gives guidance to the business for all

[1] Submtter ID: 74036

parts of our operation. Ballance takes its environmental responsibilities seriously, and is committed to long-term sustainability, not only of our local areas surrounding manufacturing and distribution sites, but also wherever our product may be used. Ballance takes a continuous improvement approach to environmental management, and has developed a number of new technologies to help our customers use the products we supply. To Ballance, the local environment encompasses air, soil, water and the local community, and accordingly we give these priority.

9. Examples of the ways in which Ballance is enhancing our environmental performance include the following:

   a. A dedicated Farm Sustainability Team, whose remit is to help farmers develop sustainable nutrient management plans, ensuring efficient performance from the land, whilst leaving it in good condition for future generations. This team also help farmers meet their compliance requirements with changing regulations.

   b. Ballance Farm Environmental Awards. Ballance are the major sponsor of the farm environmental awards, which are designed to promote role models of sustainable farming. The four categories the contestants are judged against include: sustainable profitability, environmental awareness, good business practices and social/community awareness.

   c. MitAgator® is a visually based decision support tool that ties together multi-factored farm knowledge to create a detailed spatial view of an individual farm. MitAgator has been in development for over 10 years and combines about 30 years of independent research into runoff and nutrient loss with farm-mapping technology.

   d. N-Guru is a decision support tool that guides the use of nitrogen fertiliser. It relies on a Total N soil test which will guide which block on a farm is more nitrogen deficient and also has an annual optimisation function to guide timing of application while allowing for avoiding certain (cooler) months.

   e. SpreadSmart is fitted to a number of the Ballance SuperAir aerial topdressing planes. Based on a prescription map it enables exclusion zones and variable rate application which can have both agronomic and environmental benefits

   f. Contribution to the development and sharing of consistent nutrient messages such as the “More than just a number” guideline[2] book and series of 33 workshops for farmers about the 5 factors of N loss and options to manage these.

[2] Co-developed and delivered with DairyNZ Fonterra, Tatua and Dairy Women’s network.

g. An innovative approach to the latest consent renewal at our Mount Maunganui facility has resulted in a group being formed with local Iwi called He Waka Eke Noa (The canoe we are all in without exception). This group all have a connection with Te Awanui (Tauranga Harbour) and have collaboratively worked towards preparation of a resource consent application that is both practical from an operational perspective and sensitive to cultural impacts.

10. As identified in the Company's submission to Plan Change 1, Ballance has extensive interest in the development of tools to manage nutrient losses on farms. Ballance, with AgResearch, has undertaken extensive research into developing 'MitAgator' which is a GIS-based water quality decision support tool that links with OVERSEER® to refine the latter model's output. The integration of management tools such as MitAgator, will provide greater insight into the spatial variability of nutrient (as well as sediment and microbial) loss within a farm landscape and will allow users to identify critical source areas (or 'hot spots') for nitrogen, phosphorus, sediment and microbial loss within the farm landscape. Targeted application of mitigation and management strategies to these critical source areas will help to provide more cost-effective environmental management solutions for farmers.

OBJECTIVE 1

11. As noted in its submission, Ballance generally supports Plan Change 1 and accepts that, on the basis of the information available, the 80-year timeframe is both appropriate and achievable. The Company and its shareholders are of the opinion that in order to achieve the water quality improvements required to accomplish the desired outcomes, a collaborative approach is required between all stakeholders. As an organisation that operates around the entire Country, Ballance has experience with similar processes and as such is aware of the time that is required in order to develop the science, technology and processes for change to occur. As a result, it is the Company's view that in order for this change to be successful, adequate timeframes need to be provided for in order to enable the required innovation and technology, while mitigating adverse implications such as unsustainable costs.

12. As discussed in the preceding paragraphs, Ballance is a Science based company that is continually working towards using innovative measures to improve its products and the services, in order to achieve sustainable management and solutions associated with farming operations. Such innovation includes the development of the Clearview Primary Growth Partnership ('**PGP**') with the Ministry of Primary Industries ('**MPI**'). The PGP is a research and

development programme with the aim of enhancing nutrient systems so as to increase productive capacity with less environmental impact. The PGP was conceived in 2010, commenced in 2011 and has recently been completed at the end of 2018. The programme has resulted in $19.5 million of total investment between Ballance and MPI on Research and Development, along with the production of three key products aimed at achieving the programme outcomes. These products are N-Guru, SpreadSmart and MitAgator.

13. The development of these products has involved the Company being at the 'front line' of nutrient management advancement in its research and development capacities. In addition to this, it has resulted in the Company actively engaging with its shareholders and the farming sector in order to educate and implement the changes. This engagement has included a collaborative video series, one on one education and advice, and a series of 'change workshops' around the country. Which has in turn led to awareness and the adaption of new processes by shareholders.

14. The Company has observed that the introduction of change can take a considerable time period for individuals and the industry to adopt. As an example, the Company's research and modelling [3] has indicated that, even with the implementation of a proactive engagement strategy, the uptake of the N-Guru tool will take 6-7 years before it reaches 50% of the target market and 8-9 years before it reaches the critical 90% mark. These timeframes are further increased if the implementation is passive (being not supported by active engagement) and left to the market to adopt. Additionally, the timeframe for realising the effects of the change are further elongated.

15. The Company notes that the 80-year timeframe proposed by the Plan Change is identified as an aspirational target. As acknowledged in paragraph 333 of the s42A Officers Report, '*the information available at the time that the Plan Change was prepared indicates that significant change will need to occur to meet the long-term goals, where future changes in land use and technologies mean that the full extent of that change is currently unknown'.* The Company interprets this statement to mean that currently, there is uncertainty regarding the practicality of achieving the desired water quality outcomes. As a result of this, and in light of the Company's experiences with the timeframes associated with the development and adoption of new technology and practices associated with farm operations and improving water quality outcomes, it is the Company's opinion that any consideration of a reduction in the overall timeframe, as requested by some submitters[4], should be

[3] Utilising CSIRO's "Adopt", adoption prediction model to objectively forecast uptake.

[4] Such as the Royal Forest and Bird Protection Society

undertaken with the utmost degree of caution. This caution is required in order to ensure that the regulatory controls do not set targets and timeframes that are unachievable or that will result in an inequitable or untenable outcome for any stakeholders.

16. As noted in its submission, the Company is of the view that the setting of a timeframe for the identified water quality improvements needs to strike a balance between environmental change and not undermining the socio-economic foundations of the Region. The research and modelling undertaken for the N-Guru tool identifies that the development of technology and changes in practices take time to implement and then take further time for results to be evident. As such, the Company continues to promote a position that reflects achievable environmental outcomes within realistic timeframes.

17. Examples such as the N-Guru development illustrate that changes through technological advancement and management practices, regardless of how positive the potential impact is on stakeholders, can take a considerable period of time to become reality. The Company therefore considers that any changes made to the regulatory instruments need to provide an appropriate and realistic timeframe for this uptake to occur, in order for the desired outcomes to be realised. As identified in its submission, the Company believes that the timeframe for the water quality attributes to be achieved as proposed by Objective 1, being the year 2096, and incorporating the changes recommended by the s42A Reporting Officer, represents an appropriate timeframe and as such, Objective 1 as amended by the s42A reporting Officer is supported.

OBJECTIVE 3

18. Objective 3 requires actions be put in place and implemented by 2026 to achieve the interim water quality attribute states. The Company lodged a submission in support of the proposed Objective, stating that it considered such a staged approach to be an appropriate implementation tool that provided for initial improvements in water quality whilst balancing the socio-economic implications that would result.

19. It is noted that the s42A Reporting Officer has recommended a number of changes to the objective, including clarifying that the discharges to be reduced include ‘diffuse’ and ‘point source’ discharges. As identified in its submission, the Company is generally supportive of the objective and considers that the changes proposed by the s42A Reporting Officer provide additional clarity.

20. As identified in the preceding sections of this evidence, the Company has employed a proactive approach to the development of technology, science and practices in order to produce increases in production while reducing the environmental impact from the farming sector. This approach has given the company an insight to the operational implications of change and have clearly identified

that the implementation of these changes will require a commitment from all stakeholders and a reasonable timeframe for adoption.

21. The Company notes that some submitters[5] to Objective 3 have sought that the 'short-term' timeframes of the objective be amended to take immediate effect. The Company made a further submission opposing such relief, noting that such a timeframe was unrealistic and unachievable.

22. As identified at paragraph 393 of the s42A report, the Reporting Officer has identified that the technical information supporting the Plan Change indicates that the 10% reduction in emissions over the next 10 years is a difficult yet achievable goal. Further to this, it is acknowledged, in the same paragraph, that there is an absence of information provided by submitters that a reduction in this timeframe is achievable. In the Company's experience, on-site changes take time to implement and the speed for which change occurs is influenced by a number of other factors, such as climatic conditions, financial resources and the availability of people and technology to undertake the change.

23. Further, in the Company's experience 'on the farm' and throughout the country, the timeframe that is proposed in the objective, being the year 2026, will require considerable changes to farm practices. However, it is anticipated that some of these changes will be difficult to achieve. In light of this, a reduction to the timeframe, or immediate change as advocated by submitters such as the Royal Forest and Bird Protection Society, would be, in the Company's opinion, unrealistic and unachievable. As a result, the Company continues to support the intent of the objective as proposed.

CONCLUSION

24. Ballance Agri-Nutrients are a key stakeholder in the primary production industry and an active participant in developing state of the art products and recognised good management practice tools for the improvement of the sector. The Company's experience with the development of new technology and tools designed to assist with nutrient management systems has provided it with an insight into the practical implications associated with executing change.

25. In the Company's experience, the research and development associated with advances in technology and processes require considerable lead in time. In addition to this, the practical adoption of these changes takes further resources and time, before it achieves levels that will result in meeting the desired outcomes.

26. In light of this, the Company considers that the timeframes identified in Objectives 1 and 3 should be set cognisant of the practical application of change and taking into account the balance between environmental, social and economic considerations. To this end, the Company supports the s42A Reporting Officer's proposed amendments to Objective 1, incorporating a timeframe to achieve

[5] Such as the Royal Forest and Bird Protection Society, Submitter ID: 74122

the water quality attributes no later than 2096 and proposed Objective 3, incorporating a short-term reduction of discharges by 2026. The Company considers these to represent achievable yet ambitious targets.

27. I thank the Commissioners for their consideration of this statement of evidence.

Ian Tarbotton
Science Extension Manager, Ballance Agri-Nutrients Limited
15 February 2019

ANNEX A

Purpose

To protect our environment – to act in a manner that minimises our impact on the environment.

Policy

We will achieve this by:

- Complying with applicable laws, regulations, resource consents and voluntary agreements.
- Ensuring that environmental activities are prioritised and resourced appropriately.
- Providing training and developing procedures to ensure employees are aware of their responsibilities for the environment.
- Ensuring that emissions and discharges are prevented or minimised by the best practical means.
- When required, consulting with neighbours, regulatory bodies and other interested parties that could be affected by the company's operations.
- Establishing and reviewing objectives to continually improve operations to minimise use of resources and to reduce waste.

Environmental protection and enhancement is the responsibility of all employees of Ballance Agri-Nutrients.

Policy approval

Position	Name	Signature	Date
Chief Executive Officer	Mark Wynne		17 August 2018

Policy review

Review to be taken 24 months from policy issue date, by the policy owner or equivalent.