Before the Independent Hearings Panel

Under	the Resource Management Act 1991 (the Act)
In the matter of	Plan Change 42 (PC42) - Rural and Rural Lifestyle Environments, under the Taupō District Plan

Statement of evidence of Nik Schuler for Unicorn Pacific Trust T/A The Whey TauKe Limited (TauKe)

Dated 7 August 2023

1 Introduction

- 1.1 My name is Nik Shuler.
- 1.2 I hold a BSc Environmental Science and BAppSc Horticulture.
- 1.3 I hold the position of Managing Director at Enviro-Ag Consultancy, which is a multidisciplinary environmental consultancy. We specialise in regulatory monitoring (Taupo Catchment Nitrogen consenting) and resource consent management for civil site works compliance monitoring, GHG modelling, and Toitu carbon zero certification predominantly in the agriculture sector. Enviro-ag has been established since 2021 and is a trusted provider of land management services. With over 15,000 hectares of land under our care in the Taupo and Waikato area, we have established a strong reputation for delivering essential guidance to our clients in the regulatory space.
- 1.4 I have extensive and diverse work experience spanning over 15 years in the consenting environment. One of my notable roles was serving as a Warranted Resource Officer at Waikato Regional Council (2019 to 2021), where I played a key role in implementing Taupo's Variation 5 of the Regional Plan.
- 1.5 Throughout my career, I have successfully managed and led numerous civil projects under the Resource Management Act (RMA), covering a wide range of domains. For instance, I have been involved in significant projects related to renewable energy, including my tenure with Contact Energy from 2007 to 2009. During this period, I was responsible for monitoring the Holding Pond and Bio-reactor sites, as well as preparing impact reports for the Te Mihi site.
- 1.6 Another area of expertise lies in waste management, where I had the opportunity to work with Envirowaste Hampton Downs from 2011 to 2013. In this capacity, I conducted consent monitoring and prepared impact statements for new cells, ensuring compliance with environmental regulations that this site has.
- 1.7 My role in relation to Plan Change 42 (PC42) is as an expert for Pacific Unicorn Trust T/A The Whey TauKe Limited (TauKe).
- 1.8 in my assessment I have reviewed the following documents:
 - a. TDC PC42 s42A report
 - b. WRC Regional Plan
 - c. Fonterra Farm Environmental Plan

2 Code of Conduct

2.1 While this is not a hearing before the Environment Court, I confirm that I have read the Code of Conduct for expert witnesses contained in the Environment Court of New Zealand Practice Note 2023 and that I have complied with it when preparing my evidence. Other than when I state I am not relying on the advice of another person, this evidence is within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions I express.

3 Scope of evidence

- 3.1 I have prepared evidence in relationship to PC42.
- 3.2 I have undertaken a site visit prior to preparing this evidence and am familiar with the property and the Taupō rural area.

4 Challenges

- 4.1 The farming sector is facing an increasing number of challenges through various (new) regulations including the National Policy Statement for Freshwater Management 2020 (NPS-FW), Freshwater Farm Plans Regulations 2023 which requires consent for Intensive Winter Grazing (IWG), as well as WRC Regional Plan Variation 5: Lake Taupo Catchment.
- 4.2 The farm as a whole spans a total of 650 hectares, with 550 hectares of effective production area.
- 4.3 The land at 1450 Mapara Road features a mixture of contours, predominantly rolling, with steeper areas exceeding 10% gradient at the rear of the property, making up approximately 88% of the land. The presence of extensive rolling land with slopes exceeding 10% poses a significant challenge in obtaining IWG consents, particularly in these areas. Refer to drawing 2660-061 attached showing area of land exceeding 10% gradient.
- 4.4 The topography of the land creates difficulties in meeting the new regulatory standards, potentially impacting the feasibility of winter cropping practices for TauKe. The option to retire these challenging areas and develop sections offers financial certainty moving forward and contributes to positive environmental outcomes for the Taupo catchment by preventing erosion and sedimentation and reducing nitrogen inputs.

5 National Environmental Standard for Freshwater (NES-FW)

5.1 When planned and executed correctly, smaller section sizes can facilitate the achievement of multiple environmental objectives aligned with the NES-FW, including the regulations set by IWG, as well as the Waikato Regional Plan. 5.2 This approach also ensures the financial viability of future operations and contributes to employment opportunities.

6 Challenges in obtaining IWG consents

- 6.1 The requirement for IWG consents reflects the growing emphasis on sustainable land management and environmental protection in the region.
- 6.2 The topography of the land creates difficulties in meeting the new regulatory standards, potentially impacting the feasibility of winter cropping practices for TauKe.
- 6.3 The proposal to include this land in the Rural Lifestyle Environment offers several advantages. It contributes to improved environmental outcomes by reducing intensive farming practices on unsuitable terrain, while also securing the long-term income and viability of the entire farming operation.
- 6.4 This strategic move aligns with environmental regulations, mitigates regulatory hurdles and fosters a balance between economic considerations and environmental stewardship.

7 Waikato Regional Plan – Lake Taupo Catchment and Variation 5

- 7.1 This variation plays a crucial role in managing land use and environmental concerns for the region. Its primary objective is to address nitrogen limitations and regulate various activities to protect Lake Taupo and its surrounding ecosystem.
- 7.2 A central focus of this variation is the management of nitrogen leaching. The aim is to minimise the adverse impacts of nitrogen runoff from rural land use, particularly dairy and drystock farming, on water quality and the delicate lake ecosystem.
- 7.3 The variation necessitates resource consents for relevant activities, enhancing accountability and oversight. Furthermore, the variation establishes limits on nitrogen leaching from new wastewater discharges by mandating advanced wastewater septic systems for new sections.
- 7.4 This ensures that even wastewater management aligns with the broader goal of reducing nitrogen contamination in the catchment area.
- 7.5 1450 Mapara Road is identified as being a property within the Lake Taupo Catchment due to the catchment boundary bisecting the property as shown on drawing 2660-060 attached as Appendix B.
- 7.6 The property currently leaches approximately 15,000 kg of nitrogen per year, which is typical for its size. By retiring challenging production areas and converting them into lifestyle sections, nitrogen leaching could be reduced by over 600 kg per year. With 35 sections, the

total annual nitrogen loss could be roughly 350 kg, which would decrease further with additional sections. Considering these challenges, the proposition to develop the land for subdivisions emerges as a strategic solution.

8 Conclusions

- 8.1 The strategy to address nitrogen limitations and promote environmental protection involves exploring innovative solutions, such as land development. This proactive approach aims to harmonise economic considerations and environmental stewardship, positioning TauKe for sustainable growth while addressing the challenges posed by NES-FW, IWG and nitrogen constraints.
- 8.2 I also believe I have identified a current misalignment between the Regional Plan and the District Plan, particularly concerning one of the district plan's primary objectives: avoiding the fragmentation of rural land and safeguarding its production potential. This stance seems to conflict with the Regional Plan's commitment to maintaining the existing water quality of Lake Taupo, necessitating a 20% reduction in nitrogen leaching from both agricultural and urban areas, TauKe's strategy of removing productive land near Lake Taupo to develop sections I believe aligns with the regional plans objective.
- 8.3 In my analysis, incorporating the property located at 1450 Mapara Road into the Rural Lifestyle Zone would serve to bridge this misalignment and better synchronise with the goals of the Regional Plan. This adjustment would contribute to erosion and sedimentation reduction, in addition to curtailing nitrogen leaching into the lake. By reducing animal presence on this land and implementing advanced wastewater systems in new sections, we can make meaningful strides towards achieving the Regional Plan's water quality objectives.
- 8.4 Consequently, I hold the view that the 143-hectare area encompassing 1450 Mapara Road should be formally integrated into the proposed Rural Lifestyle Environment zone outlined in PC42. This step would not only promote harmony between the Regional and District Plans but also facilitate more effective and sustainable land use practices.

Nik Shuler

7 August 2023





Sustainable Land Development Strategy for The Whey TauKe Limited (TauKe) Farming Operations:

Balancing Productivity, Environmental Stewardship, and Regulatory Compliance

Prepared by: Kynan Thomsen, General Manager, The Whey Tauke Limited

INTRODUCTION TO TAUKE

FARM OWNER:

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GENERAL MANAGER:

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FARM ADDRESS

691 Poihipi Road

Kinloch 3377

LOCATION



CATCHMENT CONTEXT

Situated in the south east of the region, the Upper Waikato River Zone comprises 53 per cent pasture, less than 1 percent urban, 32 per cent production forestry, 13 per cent native vegetation and 1 percent open water. Forestry, agriculture, energy production (hydroelectricity and geothermal) and the tourism industry are the dominant economic activities within the zone.

Forestry and pastoral farming are the predominant land uses, but in recent years there has been a marked increase in dairy conversions and intensification. The zone is developing as an outdoor adventure destination with features such as Pureora ForestPark, Maungatautari Ecological Island and the Waikato River Trails.

FARM OVERVIEW

TauKe farm spans a total of 650 effective ha, of which 550 ha is an efficient and modern dairy farm, with a mixture of contours, mostly rolling, with some steep areas at the back of the farm. The farm comprises the properties identified as 1450 Mapara Road and 691 Poihipi (owned by Pacific Unicorn Trust) and several other leased parcels, refer to map in Appendix A.

The farm milks 1,100 cows with 900 cows milked twice a day and 200 milked once a day on a spring calving management system. The farm is run as a DairyNZ system 3 at a stocking rate of approximately 2.0 cows/ha and employs 7 permanent staff and 3 seasonal staff. The TauKe vision is to be a profitable, safe and compliant business that significantly contributes to the Taupo economy.

SUBMISSION CONTEXT

To context our submission, we must first understand the tightening net of compliance and regulation for a modern dairy business. Being a Co-operative Supplier, TauKe is required to supply evidence of **Good Farming Practises** which includes:

- Farm management
- Land & Soil Management
- Water Use & Irrigation Management
- Effluent Management
- Waterways & Biodiversity
- Nutrient management
- Greenhouse Gas Emissions

FARM MANAGEMENT - HEALTHY RIVERS PLAN CHANGE

TauKe is located in the Waikato at Ohaaki sub-catchment and the Upper Waikato Freshwater Management Unit under the Proposed Waikato Regional Plan Change 1 (Healthy Rivers - Wai Ora).

The proposed plan seeks to reduce the amount of contaminants (nitrogen, sediment, phosphorus, and bacteria) entering into the Waikato and Waipā rivers to achieve the Vision and Strategy/Te Ture Whaimana o Te Awa o Waikato of making the river swimmable and

viable for food collection along the entire length of the river. The Vision and Strategy was adopted by the Government as part of Treaty Settlement legislation.

The proposed plan affects all rural landowners within the Waikato River and Waipā River catchments. The new rules will complement existing rules in the Waikato Regional Plan, and existing rules will continue to apply, e.g. farm dairy effluent rules, earthwork rules and point-source discharge rules.

There are some minimum standards that already apply - see Schedule C of the Proposed Waikato Regional Plan Change 1: Decisions Version (available on the WRC website).

Additionally, the current Waikato Regional Plan must be complied with. Waikato Regional Councils Farmers Guide to Permitted Activities can be found online at their website.

FARM MANAGEMENT - ESSENTIAL FRESHWATER MANAGEMENT

The National Policy Statement for Freshwater Management 2020 (NPS-FW) was released in September 2020. The NPS-FW provides local authorities with updated direction on how they should manage freshwater under the Resource Management Act 1991. This is commonly referred to as the Essential Freshwater package. These new regulations apply nationally and sit above Regional Plans. The 'law of stringency' applies, meaning that the strictest of all applicable rules must be adhered to whether they be national or regional rules.

In addition, all Regional Councils must review their Regional Plans to ensure that the plans give effect to the NPS-FW. Industry understanding of how the 2020 regulations will be implemented, monitored, and enforced is still developing. Existing and potential requirements for TauKe may change as the regulations start to be implemented by the Regional Council. Key focus areas within the regulation include:

- Stock exclusion from natural waterways over 1 metre wide
- Synthetic fertiliser use capped at 190 kg/N/ha/yr.
- Land use intensification
- Wetland protection
- Intensive Winter Grazing of forage crops

- Minimum standards for stock-holding areas (such as feed pads, standoff pads, loafing pads)

- Use of Feedlots
- Telemetric water takes monitoring

- Maintaining accurate and auditable records of farm inputs to support Essential Freshwater requirements.

Links to key Essential Freshwater package documents are provided below.

- The National Policy Statement can be read online in full here:

https://environment.govt.nz/assets/Publications/Files/national-policy-statement-for-freshwater-management-2020.pdf

- The Resource Management (National Environmental Standards for Freshwater) Regulations 2020 here:

https://www.legislation.govt.nz/regulation/public/2020/0174/latest/whole.html#LMS364323

- The Resource Management (Stock Exclusion) Regulations 2020 here:

https://www.legislation.govt.nz/regulation/public/2020/0175/latest/LMS379869.html?search= qs_act@bill@regulation@deemedreg_stock exclusion_resel_25_h&p=1&sr=1.

LAND & SOIL MANAGEMENT

TauKe must maintain good farming practises that include:

- Any LUC 8 and 7e land on the property is identified
- Erosion-prone land is managed or retired to minimise soil losses
- Any farm cultivation is managed to reduce the risk of sediment loss and maintain soil structure
- Pugging and compaction of soils is avoided
- No tillage or low impact cultivation methods and timing are considered
- Supplement feed-out areas are located away from waterways
- Grazing of pastures and crops is managed to minimise sediment and contaminant loss
- Paddocks selected for Intensive Winter Grazing are low risk and managed to minimise the risks of erosion and run-off
- Critical Source Areas and farm Hot Spots are identified and managed to minimise contaminant losses to waterways

As shown in drawing 2660-061 in Appendix B, 88% of the 143ha subject to this submission has a ground slope greater than 10%.

WATER USE & IRRIGATION MANAGEMENT

TauKe must maintain good farming practises that include:

- Water meter and telemetry records are maintained
- Efficient dairy shed and stock water use
- Water minimisation techniques are in place at the dairy shed
- A leak detection system is in place

- All leaks are fixed as soon as possible
- Water troughs are checked daily where animals are grazing
- All well heads are sealed, and stock permanently excluded from them

EFFLUENT MANAGEMENT

TauKe must maintain good farming practises that include:

- Effluent and manure is applied at depths, rates and amounts that match plant requirements and minimise the loss of nutrients or microbial pathogens to waterways and groundwater
- Effluent application timing and rates are adjusted based on soil moisture levels
- Nutrient load is spread evenly across the largest area practical
- Tests for high potassium (K) levels on effluent block are done to avoid animal health issues
- Fertiliser applications are adjusted to effluent areas based on soil tests
- Risk areas for effluent application are identified and recorded on a map
- Odour impact is considered during application

WATERWAYS & BIODIVERSITY

TauKe has no permanently flowing waterways. There are overland flow paths which carry water for brief periods only following very heavy, localised rain. The three ponds near the back of the farm which tend to hold water most of the year are fenced to exclude stock.

The races on the farm are in good condition, with maintained cut-outs at intervals to direct sediment and faecal bacteria into paddocks/pasture rather than towards the overland flow paths. Supplements are fed-out away from the overland flow paths.

There have been 10ha of biodiversity areas planted since the farm was purchased in 2021. Steeper areas are continually being identified and retired for planting with either native species or commercial woodlots.

NUTRIENT MANAGEMENT

Tauke must maintain good farming practises that include:

- The amount and timing of fertiliser inputs, takes account of all sources of nitrogen and phosphorus, matches plant requirements and minimises losses to waterways and groundwater
- Soil phosphorus levels are monitored and maintained below or within the target ranges for the soil-type and crop
- Olsen P trends continue to be monitored over successive years & maintained in the optimum range
- Fertiliser spreading equipment is maintained and calibrated

- Fertiliser applications are tailored for different management blocks
- Soil tests are completed & results recorded
- Nutrient budget is maintained
- Nutrient management plan is completed
- The purchased nitrogen surplus figure is monitored to ensure purchased nitrogen is used efficiently and losses to the environment are minimised.

The following Map shows how Tauke have mapped nutrient use. Having regard to the preceding **Good Farming Practises** discussion points, the orange once a day (OAD) zone is unlikely to be an economic area for Dairy Farming in the long term. As such, the long term business vision is to retire this area and develop it with a well planned, implemented and maintained lifestyle subdivision.



GOOD FARMING PRACTISES SUMMARY

All of the preceding information and discussion regarding **Good Farming Practises** is the compliance that any modern dairy farm must adhere to. Regulatory compliance is designed to balance productivity, with environmental stewardship, so that resources may be maintained or improved into the foreseeable future. The effect of this Regulatory compliance is to reduce the economic viability of the highest risk land classes.

LAND USE CONTEXT

Similar to the role of compliance, TauKe has looked to the future of our business and how we best navigate our balance of productivity and environmental stewardship. For all of TauKe's farmland, but particularly our least productive land (Land Use Capability - LUC 6, 7, & 8) TauKe has a number of options including:

- Reduce total stocking
- Reduce animal size (e.g. remove adult dairy cows)
- Change animal class (e.g. introduce sheep)
- Reduce fertiliser use
- Reduce or remove cropping
- Spaced planting of trees (e.g. poplars)
- Plantation Forestry (e.g. pine trees)
- Establishment & regeneration of Native Forest
- Change of land use (e.g. housing)
- Any combination of the above

We are presenting to the TDC Hearings Panel, to recommend that the TauKe land title of 143ha at 1450 Mapara Road is included in the Rural Lifestyle Environment zone proposed through PC42. The Regulatory Compliance we have outlined above, clearly demonstrates that TauKe will not be able to maintain a social licence to farm any marginal areas of this 143ha land title into the future. However, If Tauke chooses to retire the least productive parts of this title from farming, then this change of land use must not be detrimental to the economic viability of our business. By including the 143ha of 1450 Mapara Road in the Rural Lifestyle Environment zone, TauKe will have the full suite of options outlined above to reach the best balance of productivity and environmental stewardship.

LOCATION TO SERVICES

TauKe is already connected to the TDC Kinloch Water Scheme, located on Mapara Road, with this water being utilised for domestic and stock supplies.

Power is available via the 11KV electricity lines that run parallel to Mapara Road adjacent to the property.

LOCATION TO ADJACENT ZONES

The area of 1450 Mapara Road proposed for inclusion in the Rural Lifestyle Environment directly adjoins several properties on Tukairangi Road that are already identified as RLE in PC42; and is just over 1km at the closest point to the properties identified as RLE on Mapara Road to the southwest. Refer to drawing 2660-060 in Appendix C.

A seamless transition of topographical features is evident as one progresses from the proposed RLE properties along Tukairangi Road to the present property. The demarcation of the zoning boundary deviates along an arbitrary trajectory that traverses through the valley's expanse. Rather than adhering to a logical path, the zoning boundary cuts through the

valley. This arbitrary demarcation disrupts the natural flow, disrupting the transition from the surrounding properties to the subject site.

PROOF OF CONCEPT SCHEME PLAN

The Concept Plan in Appendix D is provided solely to show that a lifestyle development is possible in this area.

CONCLUSION

Retiring land is part of the profitable journey for TauKe. Our farming business needs profitable levers to pull, to maintain a viable business, employing people, and providing benefit to Taupo. Encompassing our 143 ha title in the Rural Lifestyle Environment zone, will enable TauKe to achieve these goals.

As a result of the constraints discussed above, removing this area from production will not compromise the production capacity of TauKe's farming operations.

For the reasons outlined below and in the supporting report from Nik Schuler, we are of the opinion that the 143ha area of land at 1450 Mapara Road should be included in the Rural Lifestyle Environment zone proposed through PC42.

Kynan Thomsen 7 August 2023

Appendix A: Tauke Farm Map



Appendix B: Ground Slope Mapping





Appendix C: Map of Tauke Proximity to TDC Planned Zoning (Jerome)

Appendix D: Concept Plan



Appendix E: Water Meter Data

Water:

This property is under TDC Drinking Water Supply Scheme: Kinloch, Rural.

Type of Supply: Unrestricted, (2.2 m³/HEU max)

- Treatment: Chlorination
- Remineralisation For: Not available
- Activity / Renewal Plan which may impact this property: None.

Remarks:

Based on guidelines received from Waikato Regional Council, TDC adopted the water supply strated and submitted water demand management plan, which encourages more sustainable use of port the average daily household water consumption targets in summer use will gradually reduce to a consumption of 1 m³ per HEU by 2035 as per water supply strategy:

- 2012 2015 water consumption / HEU = 1.65 m³
- 2016 2019 water consumption / HEU = 1.53 m³
- 2020 2022 water consumption / HEU = 1.42 m³

Water Meter:

This property has a water meter. A final reading can be requested.

Account Number:	060435
Reading:	2020-11-12
Units:	938
Flow Entitlement:	18.28 L/min
Balance Owing:	\$0.00

Appendix F: Tauke Views





