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This is a submission on proposed plan change 10 (Lake Rotorua Nutrient Management) to the BOP Regional water & land plan.

I wish to be heard in support of my submission.

#### Property Background

I purchased 948 State Highway 5 in July 2001 and 880 State Highway 5 in June 2005. The farm is 182.5 ha. The farm was bought as a support block for my dairy farm to winter dairy cows and graze dairy heifers. I planned to ultimately convert it to a dairy farm.

The farm has a 23 ha block of native bush that was grazed by the previous owner. I retired this from grazing and it has regenerated to become a stunning feature of the farm and act as a large riparian strip that reduces nutrient loss to water.

As I borrowed 100% of the purchase price against my existing farm I invested heavily in improving the productive land I didn't retire, so I was able to meet my financial commitments.

#### Proposed Plan Change 10

We all want to see the water quality in the lake improve. It is great to see the progress we have made in this regard and the lake TL1 at the targeted 4.2.

If adopted the proposed rules have the capacity to put rural land owners out of business through:

- **Reduced Equity:**  
 Since the introduction of Rule 11, dairy and dry stock farms in the catchment have dropped in value by approximately \$10,000/ha. This is \$200 million in lost value. The proposed rules will cause another drop in values.
- **Reduced Cash Flow:**  
 Rule 11 prohibits intensification, effectively capping income. The proposed rules require detensification, effectively reducing income.
- **No Credit:**  
 Banks don't want to lend in the catchment and have suggested current lending could incur a risk premium.

How can a group with reduced equity, reduced cash flow and no access to credit, fund to Lake Rotorua clean up?

The proposed rules are unequitable, unfair & unrealistic.

Three examples:

1. There are 15,000 ha of dry stock land in the catchment. My farm is 182.5 ha of which 157.2 ha is deemed effective by council. The N reduction target for dry stock is 44t N from 15,000 ha. The N reduction target for my farm is 7t N from 157.2 ha, or 16% of the total dry stock target from 1% of the total land. This is unequitable.
2. Nitrogen is traded in the Lake Taupo catchment. It has a fair market value of \$400/kg. Based on this the 7t of N the council wants me to give them is worth \$2.8 million. This is an unfair contribution from one individual in a community of 60,000 people.
3. My farm is a specialist dairy support unit. Perrin Ag modelling shows it grows as much grass as a dairy farm and it grazes 100% female dairy cattle. This means it has an N discharge comparable to a dairy farm. The council NDA sector allocation table provides for three sectors
  - a. Dairy
  - b. Dry Stock
  - c. Forest

It makes no provision for specialist dairy support so my farm is included in the dry stock sector. This sector is targeting a 20% average reduction in N. To fall within the dry stock range my farm needs to reduce by 46%. This is unrealistic.

On this basis, I don't support the policies, methods or rules in the proposed plan change.

#### Outcomes Sought

That farming in the catchment should remain a permitted activity. Land owners should be allowed to operate at or below their current benchmark figure and manage a staged reduction in nutrient loss based on best management practice.

That the science review scheduled for 2017 includes an independent calculation of the sustainable load of nutrients to Lake Rotorua.

That if nutrients need to be reduced after the 2017 science review, the only democratic and economically viable option is for the community/council to buy out those who want to exit at a fair value. This land can then have appropriate nutrient restrictions placed on it and be sold at a fair market value with these restrictions in place.