

**IN THE MATTER**

of the Resource Management Act 1991

**AND**

**IN THE MATTER**

The Proposed Waikato Regional Plan Change 1 –  
Waikato and Waipa River Catchments (Healthy  
Rivers)

(Hearing Block 2)

**BETWEEN**

New Zealand Institute of Primary Industry  
Management (NZIPIM)- Waikato Branch  
(Submitter ID: 73558)

**AND**

Waikato Regional Council

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**STATEMENT OF PRIMARY EVIDENCE OF LEE ANTONY MATHESON**

**ON BEHALF OF THE NEW ZEALAND INSTITUTE OF PRIMARY  
INDUSTRY MANAGEMENT- WAIKATO BRANCH**

**3 May 2019**

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# 1. Executive Summary

1.1. In order for farm environment plans (FEPs) and nitrogen reference point (NRPs) to meet the objectives of the Waikato Regional Council's Proposed Waikato Regional Plan Change 1 – Waikato and Waipa River Catchments (Proposed Plan Change) they need to be comparable, high quality and completed by suitably qualified people by the desired timelines. These need to pass moderation and be auditable with clear parity between those FEPs and NRPs undertaken within certified industry schemes (CIS) and out of it.

1.2. The recommended definition of a Certified farm nutrient advisor (CFNA) is:

Certified Farm Nutrient Advisor: is a person certified by the Chief Executive Officer of Waikato Regional Council and listed on the Waikato Regional Council website as a certified farm nutrient advisor and has the following qualifications and experience:

- a. Has completed nutrient management training to at least the equivalent of the Advanced Sustainable Nutrient Management Course, and
- b. Has at least two years' experience in nutrient management planning.

and agrees to follow the procedures and guidelines set out by Waikato Regional Council and audits of the Certified Farm Nutrient Advisor's work by Waikato Regional Council show that that the Advisor is preparing robust and reliable nutrient loss reports.

Note: Certified Farm Nutrient Advisors will be listed on the Waikato Regional Council's website.

1.3. There are three types of auditing that is required, one relating to auditing compliance, one auditing certified industry schemes and one auditing the certified professionals who are creating NRPs and FEPs (referred to from here on in as moderation).

1.4. Moderation of the NRP and FEPs undertaken by the certified professionals must be carried out by someone with no conflict of interest to the certified professional who undertook the original work.

1.5. It needs to be explicit which certified professional can undertake what activities including within CIS and moderation. This is summarised in Table 1.

**Table 1:** Recommended Activities of Certified Professional under PPC1

Action	Certified Professional	
	CFNA	CFEP <sup>1</sup>
Sign off an NRP	✓	✓
Sign off a FEP		✓
Sign off an NRP as part of an CIS	✓	✓
Sign off a FEP as part of an CIS		✓
Moderate an NRP	✓	✓
Moderate a FEP		✓

<sup>11</sup> Certified Farm Environment Planner

- 1.6. It is important to provide clarity over who can amend FEPs. If FEPs are amended by a non-certified person, they may no longer meet the technical requirements which could lead to complications related to the professional obligations of the Certified Farm Environment Planner (CFEP) who prepared the FEP.
- 1.7. In addition, we would like to note that if all dairy farms are moved into priority one zone (as presented as an option in the Section 42A report for Block 2) this could compromise the ability to complete high quality FEPs within the desired timeframes. The additional work required in this needs to be accounted for relative to the capacity of CFEPs as per our Block 1 evidence.

## 2. Scope of evidence

- 2.1. In this evidence I will provide information on behalf of the Waikato Branch of NZIPIM on the definition of a CFNA, auditing requirements in the Proposed Plan Change, the use of CFNAs and CFEPs in CIS, who can alter FEPs and ensuring the capacity of CFNA and CFEP to deliver the required NRPs and FEPs by the deadlines.
- 2.2. This evidence is limited to the material covered in the original submission by the Waikato Branch of NZIPIM as it pertains to the material covered in Hearing Block 2.
- 2.3. The Waikato Branch of NZIPIM presented expert evidence as part of Block 1 hearings and reserves the right to present at Block 3 hearings.
- 2.4. The Branch seeks to be involved in any future conferencing on areas pertaining to its submission. The Branch is also willing to continue to engage proactively with the Waikato Regional Council where we can provide expert assistance on behalf of our members.

## 3. Introduction

- 3.1. My full name is **LEE ANTONY MATHESON**.
- 3.2. I am a registered member of NZIPIM and have been since 2011. I have been a North Island elected board member for NZIPIM since 2017. I am a member of the Bay of Plenty Branch, but a number of our advisory team are members of the Waikato Branch.
- 3.3. I am a Director and Shareholder of Perrin Ag Consultants Limited, an advisory and consultancy business providing a range of services to the pastoral agricultural sector, including the calculation of historic contaminant losses and the preparation of farm environment plans in a number of jurisdictions, and have been an employee of the company since August 2006, becoming a director in April 2008 and have been the managing director since 2015.

- 3.4. I have the following qualifications: Bachelor of Applied Science (Rural Valuation and Management) with First Class Honours (Plant Science) and an Advanced Certificate in Sustainable Nutrient Management in New Zealand Agriculture from Massey University. I am a Registered Member of the New Zealand Institute of Primary Industry Management. I also hold a Diploma in Financial Services from the Australian Financial Markets Association and have completed the OneFarm Governance Advisory Training Programme.

## **Background**

- 3.5. I am familiar with the proposed Plan Change with respect to the FEPs, the NRPs, the people certified to undertake FEPs and NRPs, including the required qualifications, the timeframes and auditing processes.
- 3.6. I have not been involved in the development of the Plan Change. However, our firm, Perrin Ag Consultants Ltd, has made an independent submission on this Plan Change and we have been engaged on separate occasions by both Beef+Lamb NZ and the Fonterra Cooperative Group Limited to undertake modelling, analysis or reviews on third-party work that may have been used to inform the CSG process or ultimately submissions on this Plan Change by those organisations. We have also been previously engaged by the Waikato Regional Council to provide advice on elements of the proposed implementation of Plan Change 1, none of which is related to this evidence.
- 3.7. In March 2018 Graham Parker and Carla Muller, on behalf of the Waikato Branch of NZIPIM, met with Waikato Regional Council representatives to discuss the Waikato Branch's submission.
- 3.8. I presented expert evidence as part of the Block 1 hearings for this Proposed Plan Change for on behalf of the Waikato Branch of NZIPIM.
- 3.9. The National office for NZIPIM has been undertaking a programme with regional councils around the country, as well as central government, which is looking at creating a national certification scheme for farm environment planners. This would allow regional councils the opportunity to use nationally certified farm environment planners if they chose.

## **Code of Conduct**

- 3.10. I have read the Environment Court's Code of Conduct for Expert Witnesses contained in the Environment Court's Practice Note 2014, and I agree to comply with it. In that regard, I confirm that this evidence is within my area of expertise except where I state that I am relying on the evidence of another person. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed in this evidence.

## 4. Background

- 4.1. The Waikato Branch of NZIPIM is attending the second Block of hearings for the Plan Change to provide expert evidence in relation to the aspects relating to our original submission which are covered in the Section 42A Officers Report - Block 2. In particular in relation to the following aspects:
  - 4.1.1. The definition of a CFNA,
  - 4.1.2. Auditing requirements in the Proposed Plan Change
  - 4.1.3. It also briefly touches on the use of CFNAs and CFEPs in Certified Industry Schemes, who can alter FEPs and ensuring the capacity of CFNA and CFEP to deliver the required NRPs and FEPs by the deadlines.
- 4.2. The Waikato Branch of NZIPIM previously attended Block 1 hearings to provide expert evidence on the number of suitably qualified farm environment planners who have capacity and desire to undertake FEPs which are of a high quality within the desired timeframes. Where this is revisited in the Section 42A for Block 2, we briefly comment on the new recommendations.

## 5. Definition of a Certified Farm Nutrient Advisor (CFNA)

### Original Submission

- 5.1. The Waikato Branch of NZIPIM supported the definition of a CFNA in the proposed Plan Change (and subsequent Variation 1) with amendments. This is shown below with suggested amendments underlined.
- 5.2. **Certified Farm Nutrient Advisor:** is a person certified by the Chief Executive Officer of Waikato Regional Council and listed on the Waikato Regional Council website as a certified farm nutrient advisor and has the following qualifications and experience:
  - a. Has completed nutrient management to at least intermediate level, and
  - b. Has a minimum of two years' experience in nutrient management planning.

### Section 42A Officer's Report Block 2

- 5.3. The Section 42A for Block 2 suggests the following definition of a CFNA based upon the submissions received.

5.4. **Certified Farm Nutrient Advisor:** is a person certified by the Chief Executive Officer of Waikato Regional Council ~~and listed on the Waikato Regional Council website as a certified farm nutrient advisor~~ and has the following qualifications and experience as meeting the following criteria:

- a. Is a certified as a Nutrient Management Advisor under the Nutrient Management Advisor Certification Programme Ltd or level and
- b. Has completed nutrient management training to at least an advanced level, and has at least two years' experience in nutrient management planning,

and agrees to follow the procedures and guidelines set out by Waikato Regional Council and audits of the Certified Farm Nutrient Advisor's work by Waikato Regional Council show that that the Advisor is preparing robust and reliable nutrient loss reports.

Note: Certified Farm Nutrient Advisors will be listed on the Waikato Regional Council's website.

5.5. Clarification was sought in regards to point 5.4a above which states "or level and" which is unclear, and it was confirmed that the intent was for this to read "or" only, meaning point a in the Section 42A should read in its entirety "Is a certified as a Nutrient Management Advisor under the Nutrient Management Advisor Certification Programme Ltd or".

## Conclusion

5.6. Based on the submissions on the Plan Change, the Section 42A Report, further consultation with members and the length of time between the submissions and now, the Waikato Branch of NZIPIM recommends the following definition of a CFNA.

5.7. **Certified Farm Nutrient Advisor:** is a person certified by the Chief Executive Officer of Waikato Regional Council ~~and listed on the Waikato Regional Council website as a certified farm nutrient advisor~~ and has the following qualifications and experience:

- a. Has completed nutrient management training to at least the equivalent of the Advanced Sustainable Nutrient Management Course, and
- b. Has at least two years' experience in nutrient management planning.

and agrees to follow the procedures and guidelines set out by Waikato Regional Council and audits of the Certified Farm Nutrient Advisor's work by Waikato Regional Council show that that the Advisor is preparing robust and reliable nutrient loss reports.

Note: Certified Farm Nutrient Advisors will be listed on the Waikato Regional Council's website.

The reasons for this are explained below.

## Discussion

- 5.8. The Waikato Branch of NZIPIIM originally supported the Proposed Plan Change definition of a CFNA where it required a least an intermediate nutrient management course (ISNM). However, now the Waikato Branch of NZIPIIM would like to support the revised definition of requiring at least an advanced nutrient management (ASNM) course (or equivalent). The reason the Waikato Branch supports this increase requirement as more farm consultants have now completed the ASNM course since notification and further discussion with our members indicates that they would like to ensure that nitrogen reference points (NRPs) are done by people with a higher level of knowledge than an ISNM course given the importance of NRPs and the increased capacity of people with ASNM since the original notification. In addition, the ISNM course doesn't provide participants with the same degree of exposure to the use of OVERSEER, which is critical to ensuring accurate data input within the model.
- 5.9. The Waikato Branch of NZIPIIM believes that it is important to have 'or equivalent course' included for the definition for the ASNM course as this allows for continuity of implementing the Proposed Plan Change if something changes to the ASNM course which is outside of the Waikato Regional Council's control. This equivalent course would need to be approved by the Waikato Regional Council.
- 5.10. The Waikato Branch of NZIPIIM believes that the CFNA needs to have ASNM and a minimum of two years' experience in nutrient management planning. There needs to be a balance between quality and capacity of CFNA and we believe that having completed the ASNM course and having two years' experience in nutrient management planning meets this balance. Having two years' experience in nutrient management planning is crucial in ensuring that the CFNA has practiced the relevant and required skills.
- 5.11. There is currently some confusion as to the benefit of having two different pathways to become a CFNA (CNMA or ASNM & 2 years' experience in nutrient management planning). Especially when there is some cross over between the two pathways, namely they both require the CFNA to pass the ASNM course, but they also have differences, including the requirement of CNMA to complete online assessments and submit nutrient management reports for assessment and an explicit requirement for the non-CNMA pathway to have two years practical experience in the field.
- 5.12. While the CNMA requirements are generally interpreted as being two years of relevant experience it is not explicit in the requirement of CNMA, which states that "completed five nutrient management reports or the equivalent within the last two years, and at least one within the last six months."
- 5.13. The CNMA programme does require that nutrient management reports are assessed; the alternative pathway (ASNM & 2 years' experience in nutrient management planning) doesn't have this requirement, however, this could be picked up through moderation of the CFNA and the NRPs they complete, such as in the way that is being done by the Waikato Regional Council with the historic nitrogen loss assessments being completed to support land use change consents under the Proposed Plan Change at present.

- 5.14. The Waikato Branch of NZIPIM believes the recommendation in the Section 42A Report, which contains two different pathways, could lead to confusion and duplication without any tangible improvement in the standard of NRPs or the numbers of professionals deemed suitable to undertake this work. As such, it is recommended that just one pathway is utilised, being the minimum standard of completion of ASNM (or equivalent) training, and that it is explicit that a CFNA needs two years' experience in nutrient management planning.
- 5.15. The Waikato Branch of NZIPIM is willing to engage with the Waikato Regional Council and other relevant submitters (and their experts) to come further discuss this if desired.

## 6. Auditing

- 6.1. The Waikato Branch of NZIPIM briefly discussed auditing in the original submission. Due to a lack of detail on auditing in the Proposed Plan Change, the submission sought to stress the importance of a robust and suitable auditing scheme and offered a willingness to engage with the Waikato Regional Council to help develop this.
- 6.2. The Waikato Branch of NZIPIM believes there are three key types of auditing that need to be considered:
  - 6.2.1. *Compliance auditing* – where the Waikato Regional Council (or its delegates) audit land owner compliance against the NRP and the FEPs. The Waikato Branch of NZIPIM understands that the Waikato Regional Council has undertaken work on defining the process for compliance auditing. We will provide support within our expertise and mandate of members if required, however, currently have no specific recommendations on compliance auditing.
  - 6.2.2. *Certified industry scheme (CIS) auditing* - where the Waikato Regional Council (or its delegates) need to audit the compliance of CIS against the conditions of the scheme. The Waikato Branch of NZIPIM can provide support within our expertise and mandate of members if required on this aspect of auditing, however, currently have no specific recommendations on auditing of CIS. This would be on top of any internal moderation or audit processes used within the CIS.
  - 6.2.3. *Moderation of the NRPs and FEPs completed by certified professionals* – where the Waikato Regional Council (or its delegates) audit those professionals who are certified to provide NRPs (CFNAs and CFEPs) and FEPs (CFEPs) to ensure they are completing NRPs and FEPs to the required standard and to ensure consistency and comparability across those professionals. The Waikato Branch of NZIPIM can provide support within our expertise and mandate of members if required on this aspect of auditing and have specific recommendations which are detailed below.
- 6.3. Moderation of the NRPs and FEPs which are completed by certified professionals is a crucial part of ensuring the quality and comparability of NRPs and FEPs.
- 6.4. The Waikato Branch of NZIPIM agrees with point b in Policy 2 “Undergo ~~Requiring~~ the same level of rigour in developing, monitoring and auditing of mitigation actions on the

~~and that is set out in a Farm Environment Plan, whether the consent holder is a member of a Certified Sector Scheme or not it is established with a resource consent or through Certified Industry Schemes".~~ We believe that auditing must include the auditing of those developing NRPs and FEPs regardless of if they are in a CIS or not. i.e. CFNAs and CFEPs should be audited regardless of if they are signing off NRPs and FEPs as part of a CIS or not.

- 6.5. The Waikato Branch of NZIPIM believes that it is paramount that the moderation of the NRPs and FEPs completed by certified professionals are:
  - 6.5.1. Carried out by someone with no conflict of interest to the certified professional who undertook the original work, including working in the same company.
  - 6.5.2. Carried out by someone who has at least the same qualification as the professional being audited (see Table 1).
- 6.6. The Waikato Branch of NZIPIM acknowledges that others within a firm can carry out NRPs and FEPs as long as they are signed off by someone who is certified at the required level. In regards to moderation, the certified person who has signed off the NRP and/or FEP is the one being audited and is responsible for any resulting issues that arise from this moderation process.
- 6.7. The Waikato Branch of NZIPIM is willing to engage with the Waikato Regional Council to help develop the required process for moderation of NRPs and FEPs undertaken by certified professionals.

## 7. Further discussion points

### **Certified industry schemes**

- 7.1. While the main rule covering CIS's (3.11.4.2) is covered under Block 3 of the hearings, significant comment is made on aspects relating to the CIS in the Block 2 Section 42A including Policy 3A and Schedule 2. As such, the Waikato Branch of NZIPIM would like to comment on the CIS as it relates to our original submission and the Block 2 Section 42A report.
- 7.2. It is important that where NRPs or FEPs are carried out as part of a CIS, that they fall under the same rules and requirements as those outside of the schemes. While this is potentially the intent of the relevant sections in the Proposed Plan Change (Schedule 2 and Policy 3A), it is not explicit. The Waikato Branch of NZIPIM believes this will help ensure the quality NRPs and FEPs.
- 7.3. In particular, NRPs and FEPs must be signed off by someone who meets the relevant certified requirements for NRPs and FEPs. While someone else may assist with the preparing of the material, to ensure consistency of the quality of NRPs and FEPs, it is important that those who sign them off are certified to the appropriate level, the appropriate internal quality control processes can be demonstrated to the Waikato Regional Council and that independent moderation of NRPs and FEPs occurs. In

addition, there must be independent compliance auditing of the implementation of the FEP.

### Capacity of CFNAs and CFEPs

- 7.4. The tracked changed version of the Proposed Plan Change (Block 2) includes tracked changes for Policy 8. These tracked changes include an option to include dairy farms into priority area one. The Waikato Branch of NZIPIIM discussed the priority areas in their original submission and in Block 1 hearings. While it is recognised this is just an option to be considered the Waikato Branch of NZIPIIM urges caution to ensure the capacity of CFEPs is available to meet the demand for NRPs and farm environment plans by the required timeframes. The Waikato Branch of NZIPIIM is happy to engage with the Waikato Regional Council to discuss these concerns. While some dairy farms may be a part of CIS, it is important to note that the CFNAs and CFEPs will come from the same pool of people and CIS should still be factored into the calculations.

### Altering FEPs

- 7.5. While FEPs are primarily in Block 3 hearings some aspects of FEPs are discussed in the Section 42A for Block 2. One source of concern in relation to FEPs that is discussed in the Section 42A for Block 2 is the ability of farmers to alter their FEPs. This is discussed as point 5 on page 64 (report from Mr Dragten, 2019 “*As an Approach to Reducing Contaminant Losses from Farms in The Waikato And Waipā Catchment Under PPC1*”).
- 7.6. *“The FEP could be changed by the farmer at any time. The farmer would need to provide the updated FEP to Council, but there would be no approval process.”*
- 7.7. While this is not currently a recommended change to the Proposed Plan Change, it has been included as information that could be used to influence future changes. Because of this, the Waikato Branch of NZIPIIM provides a brief comment on this here and will comment further pending the Section 42A report for Block 3.
- 7.8. While the Waikato Branch of NZIPIIM understands the need to have flexibility in FEPs to ensure they are ‘living documents’ that accurately reflect the changing nature of farming, there is a concern over the requirements for a CFEP to sign off a FEP which might then be amended by a non-certified person and may no longer meet the technical requirements of an FEP or the standard of the plan. This could potentially lead to complications related to the professional obligations of a CFEP and this needs to be approached with caution.
- 7.9. The Waikato Branch of NZIPIIM recommends that any significant<sup>2</sup> alteration must be done by an appropriately certified professional. At the time that the change is made the certified professional making the change takes over responsibility and liability for the standard and requirements of the FEP as a whole. However, as with the compliance to

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<sup>2</sup> Any alteration that could be deemed to materially alter the capacity of the plan to allow the relevant farm to achieve the quantum of contaminant load reduction intended by the original FEP.

the committed actions within an FEP, liability for any amendments to originally submitted FEPs made without input (and sign-off) from CFEPs and ultimately accepted by the WRC would need to sit with the land-owner.

- 7.10. It would be useful for the Waikato Regional Council to provide clarification on the process by which variations could be made to an FEP.

### **Nitrogen reference point – record keeping**

- 7.11. The recommended changes in the Section 42A Report for Block 2 suggests that point g in Schedule B is altered as follows:

“The following records (where relevant to the land use undertaken on the property or enterprise calculation and compliance auditing of the Nitrogen Reference Point) must be retained for the life of the plan and/or relevant consent, whichever is longer, and provided to Waikato Regional Council at its request:...”

- 7.12. The Waikato Branch of NZIPIM notes that as it currently stands, the NRP must be calculated by a CFNA. However, there needs to be greater clarity relating to point (g) as to where the burden of maintaining records falls. The Waikato Branch of NZIPIM suggests that the wording related to point (g) is clarified to understand what records the land owner and what the CFNA (and CFEP) is required to maintain.

## **8. Conclusions**

- 8.1. Certified Farm Nutrient Advisor: is a person certified by the Chief Executive Officer of Waikato Regional Council and listed on the Waikato Regional Council website as a certified farm nutrient advisor and has the following qualifications and experience:
- a. Has completed nutrient management training to at least the equivalent of the Advanced Sustainable Nutrient Management Course, and
  - b. Has at least two years' experience in nutrient management planning.

and agrees to follow the procedures and guidelines set out by Waikato Regional Council and audits of the Certified Farm Nutrient Advisor's work by Waikato Regional Council show that that the Advisor is preparing robust and reliable nutrient loss reports.

Note: Certified Farm Nutrient Advisors will be listed on the Waikato Regional Council's website.

- 8.2. There are three key auditing points, compliance auditing, CIS auditing and moderation of the NRPs and FEPs completed by the certified professionals. It is important that the auditing of certified professionals extends to those in CIS as well as those not in CIS, they should be undertaken by someone with at least the same certification level, with no conflict of interest (i.e. not working in the same firm) and the certified person who signed

off the NRP or FEP should be the one who carries the consequence of the audit regardless of if they undertook all the work, or signed it off for someone else.

- 8.3. CIS can complete NRPs and FEPs for land owners. The Waikato Branch of NZIPIM believes that these must be signed off by CFNAs and CFEPs the same as if the landowners were not part of a CIS. This ensures the quality of NRPs and FEPs and that there is a high degree of equivalence between those within CIS as those outside of one.
- 8.4. One recommendation in the Section 42A for Block 2 is that dairy farms could be considered in priority one sub-catchments. The Waikato Branch of NZIPIM notes that this is only a recommendation, but as per our primary evidence statement in Block 1 urges caution in adjusting the quantity of FEPs required in the current timeframes without a more thorough understanding of available capacity and equivalent adjustments to ensure there is enough capacity to service the additional demand.
- 8.5. The Waikato Branch of NZIPIM urges caution when considering the technical report from Mr Dragten attached to the Section 42A report pertaining to FEPs, in particular the conclusions on who can alter FEPs. The Waikato Branch of NZIPIM acknowledges the fine balance between living FEPs which incentivise change and the need for certainty and compliance. In addition, the Waikato Branch of NZIPIM believes there also needs to be a balance between allowing landowners to adjust their FEPs as required in a way that recognises the changeable nature of farming and ensuring that CFEPs are protected from subsequent third-party amendments to FEPs so that they no longer meet the requirements in the Proposed Plan Change when the CFEP is being audited for the FEP.
- 8.6. The Waikato Branch of NZIPIM remains open to providing support to the Waikato Regional Council within our expertise and mandate of members if required based on the information in our original submission, and statements of primary evidence in Block 1 and this statement of primary evidence.
- 8.7. We intend to attend the Block 3 hearings as part of the Proposed Plan Change process.



**Lee Matheson**  
**3 May 2019**