

**IN THE ENVIRONMENT COURT
CHRISTCHURCH REGISTRY**

ENV

Under the Resource Management Act 1991
In the matter of appeals under clause 14(1) of the First Schedule to the Act

Between **FEDERATED FARMERS OF NEW ZEALAND (INC) MACKENZIE
BRANCH**
ENV-CHC-2009-000193

**HIGH COUNTY ROSEHIP ORCHARDS LIMITED AND
MACKENZIE LIFESTYLE LIMITED**
ENV-2009-CHC-000175

MOUNT GERALD STATION LIMITED
ENV-2009-CHC-000181

MACKENZIE PROPERTIES LIMITED
ENV-2009-CHC-000183

**MERIDIAN ENERGY LIMITED AND GENESIS ENERGY
LIMITED**
ENV-2009-CHC-000184

THE WOLDS STATION LIMITED
ENV-2009-CHC-000187

FOUNTAINBLUE LIMITED & OTHERS
ENV-2009-CHC-000190

R, R AND S PRESTON AND RHOBOROUGH DOWNS LIMITED
ENV-2009-CHC-191

HALDON STATION
ENV-2009-CHC- 000192

Appellants

And **MACKENZIE DISTRICT COUNCIL**
Respondent

**STATEMENT OF EVIDENCE OF JOHN BRUCE MURRAY ON BEHALF OF THE
WOLDS STATION**

19 August 2016

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INTRODUCTION

- 1 My full name is John Bruce Murray. I live at The Wolds Station, 18km south of Lake Tekapo.
- 2 I am a second generation farmer on The Wolds Station and I am the fourth generation of my family to farm in the Mackenzie Basin. I took over running the station in 1977, and I now farm this with my son.
- 3 I hold of Bachelor of Agricultural Science from Lincoln University graduating in 1976.
- 4 I am a member of Federated Farmers of New Zealand, and I was previously the branch president for eleven years.
- 5 I presented a brief of evidence (dated 1 July 2010) during the original hearing on Plan Change 13.
- 6 In this brief of evidence I have addressed the post consultation s 293 package of amendments to PC13 ("PC13").

THE WOLDS PROPERTY

- 7 As I stated in my earlier brief of evidence, The Wolds is a property of approximately 8000 hectares and runs 11,400 stock units comprising 10,300 Merion sheep and 390 Angus cattle.
- 8 The operations, while profitable, do not produce significant returns on capital. The projected returns in a normal year would be about 2% or less on capital. The current gross income barely produces a profit. The debt is approximately \$500,000.
- 9 When I took over the management of The Wolds I embarked on a development programme largely completed by 1984. By 1990 the station had paid off the borrowings related to the development and the stock carrying capacity had doubled. Since 1990 we have continued development to maintain stocking levels due to the increasing effect of weeds and pests. The current debt of \$500,000 was the cost of this further development including rabbit and weed control.

- 10 We have a great affinity for the land. We want to care for it and pass it on in a better state. While we value the landscape and want to protect it, I consider that this needs to be done in a way that does not impede our ability to make a living from the land and to look after the land.

OVERVIEW OF CONCERNS

- 11 My main concern is the financial threat to The Wolds Station from PC 13's effect of significantly limiting future development of the potential remaining on The Wolds and preventing change to its current activities by:
- 11.1 Limiting pastoral intensification (including the fact that pastoral intensification is proposed to be non complying over a significant portion of The Wolds, and adding to this concern is that fact that there are policies which refer to the need to avoid such intensification); and
- 11.2 Farm related residential buildings no longer being classed as farm buildings.
- 12 I am also concerned about the extent of the Scenic Grassland Area over the Wolds Station. The concept of Scenic Grassland Areas implies that these areas can be seen, yet there are parts of the proposed Scenic Grassland Area over The Wolds that cannot be seen.

PASTORAL INTENSIFICATION

Pastoral Intensification that has occurred to date

- 13 Development on The Wolds was started by my late father as soon as he purchased the property in 1957. He cultivated paddocks for winter feed and started over sowing with a 1.5m wide drill on a petrol MF35 tractor. One of the first blocks he drilled was the block opposite The Wolds's mailbox which is part of the proposed Scenic Grassland Area.
- 14 The remainder of the Scenic Grassland Area has been oversown and top dressed and this was completed by 1985. During that period 5000 Ha of the property was oversown and top dressed. I believe the high landscape values in the Scenic Grassland Area present on The Wolds are a direct result of continued oversowing and top dressing.

- 15 Since that time maintenance over-sowing involving the application of clover and exotic grass seed has occurred every five to ten years, and top dressing involving the application of fertiliser has occurred every two to three years.
- 16 Today in addition to the oversowing and topdressing, The Wolds has 312 Ha of irrigation and 600 Ha that has been cultivated. Fencing, tracks, water supplies, shelter belts etc have been installed.

The effect of oversowing, top dressing and grazing

- 17 The Mackenzie basin in its natural state has low nutrient levels with a phosphate level of 5 to 8 and low sulphur levels in unimproved land. In my experience, and based on my research, this has allowed weeds such as *Haeracium philosella* and *Haeracium prealtum* as well as wilding trees to spread because these species can compete more effectively for nutrients in the soil than the existing vegetation (Ref 1). Oversowing and topdressing on The Wolds has raised phosphate levels up to 8 to 13 resulting in healthier tussocks with greater ground cover and consequently lower soil losses from bare ground. The proportion of *Haeracium* species is also lower. I consider that it is critical that oversowing and topdressing be continued if what you see in the Scenic Grasslands Area on The Wolds is to remain as it is today.
- 18 I think the greatest threat to the Mackenzie Basin is soil loss which has already occurred in the centre of the basin because once the soils go, landscape and biodiversity go too. The ability to oversow and topdress unimproved land must be retained as a tool to combat soil loss. Add to that the fact that oversowing and topdressing land provides a financial ability to control rabbits and wildings, a major threat if not adequately controlled.
- 19 I consider that oversowing and topdressing should not be put in the same category as irrigation and cultivation which have far more effect on landscape and biodiversity.
- 20 Another factor is the influence of grazing. The tussock grasslands are a result of the modification of bush and scrubland (which was the dominant vegetative cover 800 to 1500 years ago) by fire, and grazing. Initially the grazing was by moa and latterly by farmed stock. The tussocks themselves are rarely grazed, but the inter tussock species are kept low, woody weeds such as wildings are eaten and the dead material from the tussocks is removed. I consider that it is essential that grazing remains to retain tussock cover.

Rule restricting pastoral intensification within 1km of State Highway 8

- 21 The provisions propose to make pastoral intensification within tussock grasslands within 1km of State Highway 8 a non-complying activity. This would cover a very extensive area within my property, including part of my Farm Base Area. No definition has been proposed of a tussock grassland. Will I need a consent (non-complying) for the cultivation to extend the vegetable garden if tussocks are present? The rule covers areas that have been developed in paddocks and which are not visible from the road in which the odd tussock can be found.
- 22 Nothing makes the tussock grasslands outside of SONs, SVAs, SGLs or LPAs but within 1 km of State Highway 8 any more significant than all the tussock grasslands further away. There is no evidence landscape or biodiversity related for giving this area special protection for tussock grasslands and rule 15A.3.2 should be deleted. Andrew Craig addresses this further in his evidence.

Existing Use Rights

- 23 Patricia Harte in her evidence (paragraph 73) refers to the uncertainty felt by farmers over what we can continue to do.
- 24 Although the Resource Management Act provides for existing use rights, such rights are subject to a requirement that the use not be discontinued for more than 12 months.
- 25 It is unrealistic and undesirable for example to require the cultivation of paddocks annually to maintain the right to do so. Annual cultivation would cause an unacceptable soil loss. Spraying, direct drilling and maintenance fertiliser are potentially affected. Perennial plants such as Lucerne vital for winter feed conservation could not be grown. On irrigation perennial pasture species would not be able to be renewed making irrigation uneconomic. However, on the Wolds, I have previously referred to there being a programme of pasture renewal and fertilization. Accordingly even though there is not cultivation annually there is a programme, which needs annual assessment – in terms of whether the pasture has reached the 5-10 year mark when over-sowing might be required, or whether a particular part of the property needs topdressing, in terms of the 2-3 year cycle. Accordingly I take the view that, it is part and parcel of both pasture management and good practice for this review to occur. The fact that the programme may not be written down, does not mean that it does not occur. The prioritisation of

over-sowing, is based primarily on an “on-the –ground” inspection – rather than any prescribed written programme, although obviously soil tests/pH levels, etc are used as good markers as to where pasture regeneration, or fertilisation should occur.

- 26 I understand that pastoral intensification would not need to take place within all parts of station every year for existing use rights to continue, however this requirement does nevertheless give rise to uncertainty for farmers. For obvious reasons fertilizer application and over-sowing are cash flow dependent. It would create somewhat of a perverse outcome if farmers had to undertake a programme of top dressing, just to maintain an existing use right, if the soil tests, indicated that it could be deferred a further year. As well if soil nutrient levels are high, Environment Canterbury’s Plan Change 5 may require no fertiliser be applied until levels drop.
- 27 I consider that the plan should expressly provide for oversowing and top dressing so as to avoid this uncertainty as well as any uncertainty associated with needing to establish existing use rights. While over-sowing and top dressing might have benefitted from advances in technology – from GPS systems, better more targeted application rates, etc the fundamental principles associated with oversowing and top dressing remain unchanged and have been part and parcel of the Wolds farming practice since 1957.

Consented irrigation areas

- 28 Proposed Rule 15A.1.2 makes pastoral intensification a permitted activity where regional consent for irrigation is held as at 14 November 2015. The rule states that this applies where *“the effects on the outstanding natural landscape have been addressed through the regional consenting process.”* I consider that the requirement relating to consideration of effects on the ONL should be deleted.
- 29 The consents for irrigation held by The Wolds were issued in 1977 with two renewals and another consent was added extending the area in 1998. It is therefore unlikely we will be able to demonstrate that the effects on the outstanding natural landscape have been addressed through the regional consenting process. However in the interests of fairness I consider pastoral intensification should be permitted in all cases where regional consent is held – this would recognise the reliance placed on existing consents, and the significant levels of investment associated with these consents.

FARMING RESIDENCES

- 30 I believe removing farm residential dwellings from the definition of farm buildings is too restrictive.
- 31 My wife and I currently own two freehold sections at Windy Ridges near State highway 8 personally (The Wolds Station Limited owns the farm). One section does not have any buildings on it and will be rendered incapable of economic use under PC 13 as this does not have a farm base area. I consider therefore that there should be scope for establishing a residential unit on a section such as this where the residential unit is used by people engaged in farming the station and their families. I understand that under PC13 as currently proposed this would be very difficult given the fact that such buildings would no longer be considered farm buildings, and would therefore be non complying and subject to policies which would strongly discourage residences outside farm base areas.
- 32 I consider there should be an ability to subdivide The Wolds into two units for each of my two children. I understand that under PC13 this would be a non complying activity as the site contains a Lakeside Protection Area, Scenic Viewing Area and Scenic Grassland Area and so rule 5.b would apply. However, where a subdivision is simply creating two large lots that remain economic and viable for farming, then I consider there should be no reason for the non complying activity rule relating to Scenic Grassland Areas etc to apply, and it should be governed by the discretionary activity rule.
- 33 In addition, I consider there should be an ability to have a residential unit on each of the resulting lots as to require all the residential buildings for one farm to be located in the farm base area of the other would result in a loss of privacy and it would be some distance away. This would currently be very difficult given the change to the definition of a farm building. I consider that the Mackenzie Basin contains large areas where building can take place without spoiling the view, and buildings can be disguised by the rolling landscape. A residence should be able to situated somewhere in 4000 odd Ha with an effect that is less than minor.

Farm Buildings

- 34 The Wolds supports the recommendation by Andrew Craig to delete the statement in the explanation and reasons to Policy 3B2 that individual farm buildings outside of Farm Base Areas are generally inappropriate. In relation to the discretion in relation to farm buildings I consider this should include “the location of the activity that the farm building is to be used for”.
- 35 Farming has been a major contributor to the very landscape the Council is looking to protect. Farm buildings are an accepted part of that landscape. Buildings must be located in a way to be accessible and useable but can be located such that they are not adversely impacting the landscape.

WILDING TREES

- 36 Wilding removal comes at a large financial cost to farmers. In order for farmers to have the means to control wilding and to look after the land we are responsible for they must be able to run a productive farming operation. Wilding tree removal is expensive at up to \$2-3000 per Ha, far greater than the productive value of the land with wildings removed. At present the rules may mean that some farms become uneconomic. Therefore based on the package of amended PC13 rules as presently proposed, The Wolds opposes provisions which require the compulsory removal of Wildings.
- 37 In addition, as stated in the submission by The Wolds, I consider that if conditions are to be imposed on housing approvals or subdivision consents requiring the removal of wilding pines, the area of pines that need to be removed should be limited to areas within the vicinity of the house site so as to ensure that this requirement is not unreasonable.

FARM BASE AREAS

- 38 I consider that farmers should not face further restrictions on building within Farm Base Areas (FBAs) in order to provide an incentive to concentrate building in FBAs.
- 39 During the mediation and consultation process, farmers gave away rights such as development in Lakeside Protection Areas going from discretionary to non-complying in order to be able to build in FBA without restriction.

Vegetation within the Farm Base Area

- 40 Mike Harding has undertaken a desk top assessment of the vegetation within The Wolds Station. His comments refer to *Willow-infested stream along W boundary of FBA. Undeveloped (?) outwash surface at S part of FBA.*
- 41 However the undeveloped outwash surface is outside the Farm Base Area. The vegetation consists of brown top, and is either oversown, top dressed, irrigated or cultivated, except for the river bed itself. The river is already protected by the proposed rule that requires pastoral intensification to be set back 20m from the bank of a river.

THE IMPACT OF THE PROVISIONS ON THE WOLDS STATION

- 42 The main impact on The Wolds is the reduced ability to change in response to changing markets and new technology with the financial and environmental consequences resulting in an inability to change. The cost both in time and money for consents to change just about anything will effectively stop any change.
- 43 Standing still in agriculture is not an option in today's world. Farms are becoming larger in order to survive. Unfortunately the amalgamation of farms in the Mackenzie is not so easy and so expansion has to be done within the existing property and there is plenty of potential to do this.
- 44 The cost of the provisions in PC 13 to The Wolds is huge. There is enough water in The Wolds' consents to irrigate a further 500 Ha. The increase in land value from irrigation less the costs of installing is around a nett \$4000 per Ha. This means the potential loss is \$2M if no more irrigation is possible. In addition a further 500 Ha of Lucerne could be developed for a nett benefit of \$850 per Ha, another \$425,000.
- 45 Although I understand that the Council no longer propose to control fencing, I note that if fencing is stopped, the further benefits of better grazing management on areas already developed will be lost. Subdivision fencing reduces overgrazing in one part in order to make stock utilise the feed in another part of a large paddock.
- 46 At some stage The Wolds will convert border-dyke irrigation with a square footprint to centre pivot irrigation with a round footprint. If The Wolds is not able to irrigate land not previously irrigated, there could be a loss of irrigated land of about 20%. This reduced area is the result of pivots being circular

shaped not being able to completely cover the square or rectangular land already irrigated.

47 In addition, The Wolds will face higher costs with future development because development will have to be further away from State highway 8 resulting higher transport, road and providing services such as power. Plus the cost of the extra time getting there.

48 Also relevant is the effect that the provisions will have on our ability to control pests. Above I have referred to the cost of wilding control, but there is also the cost of other pest control, such as rabbits. Parts of our properties are unproductive, yet we still need to spend significant sums in controlling pests. For example in one year I spent \$57,000 on rabbit poison on 1900 hectares, half of which was not stocked. If farmers were not taking care of the rabbit problem and controlling wilding pines the landscape would look vastly different than it does today.

Other controls in Place

49 In considering the impact of PC13 on The Wolds it is relevant to consider this in the context of other controls that already apply.

50 Under the current District Plan The Wolds already has two Sites of Natural Significance (SONS) totalling 216 Ha for biodiversity values, two scenic viewing areas totalling 108 Ha and a Lakeside Protection Area of 113 Ha. In addition there is protection in the current plan for 20 meters each side of named streams. The Wolds has two, The Maryburn and the Irishman Stream, totalling 12 Km for an extra 16 Ha. The total is 676 Ha, about 9 % of The Wolds. This is liveable with from a farming perspective but under PC 13 and the District plan review I am likely to face restrictions on 60-80 % of the property. The non complying consents needed for development are too high a threshold given the incomplete biodiversity and landscape studies.

51 The provisions also fail to recognise the fact that many landowners have already been through the tenure review process which set aside or protected certain areas for conservation and landscape purposes, and which, in return, allows other areas to be used for intensive farming. That is, tenure review is explicitly drawing out those areas which have high conservation and landscape values, and then provides an intensive farming platform for the purposes of protecting the viability of farming. The provisions further reduce the areas able to be used for intensive farming and have the potential to

make farming uneconomic in some areas. The Wolds has not completed Tenure Review yet but would lose about 1400 Ha, of which approximately 200 Ha is currently designated as SONS in the District Plan. Tenure Review on The Wolds is at a stage where 1400 Ha of land will be returned to the Crown or Tenure Review will not proceed.

CONCLUSION

52 Pastoral farming is a key business within the Mackenzie Basin. As farmers in the Basin we are part of the local community and provide a great deal to the social and economic well-being of the community. The rural sector needs to have confidence that they can carry on into the future. To do that they must be able to make economic use of the land. The plan change does not provide the necessary assurance that we can carry on sustainably.

REFERENCES

Reference 1 : Ledgerde NJ 2006, Determining the effect of vegetation competition through fertiliser on the establishment of wilding trees in improved tussock grassland. NZ journal of Forestry 51 (3) 29-34.