

**BEFORE THE HEARING COMMISSIONERS
AT HAMILTON**

IN THE MATTER of the Resource Management Act 1991
(**"the Act"**)

AND

IN THE MATTER of the hearing of submissions on The
Proposed Waikato Regional Plan Change 1 –
Waikato and Waipa River Catchments: Block
2

**STATEMENT OF REBUTTAL EVIDENCE BY DAMIEN JOHN
FARRELLY FOR HORTICULTURE NEW ZEALAND**

10 MAY 2019

QUALIFICATIONS AND EXPERIENCE

1. My full name is Damien John Farrelly. I have the qualifications and experience set out in my evidence in chief and I reiterate my compliance with the Code of Conduct.

PURPOSE AND SCOPE OF REBUTTAL EVIDENCE

2. In this rebuttal evidence I refer to the evidence of Gerard Willis for Fonterra Co-operative Group Limited (**Fonterra**) in relation to certified industry schemes.

GERARD WILLIS

3. Mr Willis refers to the benefits of certified industry schemes at paragraph 6.1 of his evidence. As I have noted in my evidence, in chief there are significant benefits of using certified industry or sector schemes but I have reservations about the perceived role of certified sector schemes, which are contrary to Mr Willis's views. I believe that 2 types of schemes exist, and that both can co-exist in the context of PC1, as evident in other regions (e.g. Canterbury).

4. The current role/definition, as supported by Mr Willis in paragraph 6.1.1:

Fonterra has already applied for certification of an industry scheme as described in the evidence of Mr Allen. That scheme alone has the opportunity to reduce the number of FEPs (and potential consents) that the Council must manage by 2,100 (assuming all Fonterra supplier farms in the catchment elected to be part of the Fonterra scheme). That level of commitment must make a significant contribution to the ability to implement PC1 in a timely and effective manner.

5. This is contrary to the HortNZ submission to PC1 on the role of Certified Industry/Sector Schemes and my evidence paragraph 28:

GAP schemes do not operate like an industry group, catchment collective or scheme (e.g. irrigation scheme) as suggested in some terminology, with aim of becoming a consented activity, or supporting the development of FEPs.

And paragraph 37:

I do not support the proposal that it is the Certified Sector Scheme's responsibility to support the development of FEPs (S42A Report at paragraph [816], Schedule 2B). GAP schemes are threshold standards which focus on outcomes. Members can develop their system themselves, or with assistance of an adviser, while the GAP audit monitors compliance with these standards (e.g. FEPs).

Membership is dependent on meeting these standards. Membership is suspended, and ultimately cancelled if compliance cannot be achieved and verified.

6. Consequently, I believe there are two types of industry schemes which are required to implement PC1 effectively:
 - i. A “**catchment/industry collective scheme**” which operates as a global consent and may assist in developing nutrient reference points and farm environment plans (example: irrigation schemes in Canterbury).
 - ii. An “**independently audited self-management scheme**” which operates as a standard owner and provides for the independent audit of Farm Environment Plans to assess their robustness and check/verify if the business is operating at Good Management Practice (example: NZGAP in Canterbury).
7. There is a contradiction between the roles of these two types of schemes, and I believe that the current rules better reflect the former definition of a catchment/industry collective scheme as defined in the section 42A report (Appendix C, Additions to Glossary of Terms/Ngā Āpitiwhanga ki te Rārangī Kupu):

Certified Sector Scheme/s: *is a group or organisation responsible for preparing and assisting with the implementation of Farm Environment Plans that has been certified by the Chief Executive Officer of Waikato Regional Council and listed on the Waikato Regional Council website as meeting the standards set out in Schedule 2 of Chapter 3.11.*

8. I propose that the current definition of Certified Sector Scheme is split into separate definitions to align with the two distinctive and mutually significant approaches (“industry collective scheme” and “independently audited self-management scheme”) as required to implement PC1 effectively. A rule structure for the separate functions could be similar to that proposed in the HortNZ submission relating to catchment collectives. This will be discussed further in Block 3 hearings.
9. I believe that a new definition for “independently audited self-management” schemes will address many of the issues I have highlighted in my evidence and submitter concerns on current rules for Certified Sector Schemes. My evidence explains the structure and role of GAP schemes which at a high level are (paragraph 17):

Good Agricultural Practice (“GAP”) schemes are independently audited self-management assurance programmes which provide a pathway for members to demonstrate compliance with regulatory and

market requirements via 3rd party audit of recognised standards (e.g. Food Act 2014).

Damien Farrelly
10 May 2019