

**Before Hearing Commissioners  
at Palmerston North**

**UNDER:** the resource management Act 1991

**IN THE MATTER OF:** an application for a **Notice of Requirement** by **New Zealand Transport Agency** to the Palmerston North City Council, Manawatu District Council and Tararua District Council for **E AHU A TŪRANGA MANAWATŪ TARARUA HIGHWAY.**

Statement of Ron Pellow on behalf of **AgResearch Ltd**

Dated 3<sup>rd</sup> April 2019

## **STATEMENT OF RON PELLOW**

### **INTRODUCTION**

- 1 My name is Ron Pellow.
- 2 I am the National Manager, Farms, with AgResearch Limited, a position I have held since late July 2018. Prior to this, I have worked in a range of roles in New Zealand Agribusiness, including almost 10 years as Executive Director of the South Island Dairying Development Centre. I joined AgResearch to combine my interest in agricultural production systems and business management with world leading pastoral research.
- 3 I have a Bachelor of Agriculture and Diploma of Agricultural Science from Massey University and a Master of Business Administration from Otago University.
- 4 AgResearch Limited submitted on the Notice of Requirement for the designation due to concerns about the effects of the proposed road corridor on the Ballantrae Hill Country Research Station (Ballantrae). The proposed State Highway 3 (SH3) designation route bisects the single most important and valuable research occurring at Ballantrae, a 44-year fertiliser and grazing experiment. As has been agreed in a Joint Statement of Experts, this research would come to an end if the proposed route proceeds.
- 5 Despite ongoing consultation with NZTA over the last 18 months, AgResearch are disappointed with the apparent lack of recognition and understanding of the effects of the proposed new SH3 route on Ballantrae's research, and the significant values of that research for New Zealand's farming industry.
- 6 I will outline the reasons for our submission below, and address the following matters:
  - The nature of Ballantrae, its status as a nationally significant trial, and because of this, its significance to the New Zealand farming industry and their local communities
  - The nature of evidence to be presented by AgResearch in support of its submission
  - The consultation undertaken with NZTA to date
  - The expectation that mitigation can be realised through the subsequent process, when avoidance is necessary to maintain the integrity of the trial
  - And the difficulties this creates with determining compensation.

## **BACKGROUND**

### **AgResearch Limited**

- 7 AgResearch is a Crown Research Institute (CRI) created in 1992 from a merger of the research arm of the Ministry of Agriculture and Fisheries and the agricultural components of the Department of Scientific and Industrial Research (DSIR). Since then AgResearch has broadened its capabilities across the agricultural research sector, with its main purpose to:

*Enhance the value, productivity and profitability of New Zealand's pastoral, agri-food and agri-technology sector value chains to contribute to economic growth and beneficial environmental and social outcomes for New Zealand*

- 8 AgResearch's research farms are a significant contributor to this purpose, providing multi-decade information on long term impacts of farming practices, environmental changes and resulting farm system responses.
- 9 AgResearch currently employs approximately 700 people across 6 research centres and nine research farms. Its annual budget is approximately \$100 million, or about one fifth of the cost of building this proposed road.
- 10 Our attendance and interest in the hearing is on behalf of the beneficiaries of the research conducted at Ballantrae – New Zealand hill country sheep and beef farmers – and their local communities.
- 11 We appreciate the difficulty you face in balancing the many factors presented through the hearing, and further the challenges of interpreting two dimensional drawings of a complex three-dimensional mix of hill country. AgResearch had invited you to visit the site and regret that a communication error prevented you seeing the full extent of the site in person. We extend this invitation again, should you be able to visit the site with us.

### **Ballantrae**

- 12 Ballantrae is owned by AgResearch and is New Zealand's only hill country research farm with long term fertiliser and grazing trials. It provides invaluable information on fertiliser and nutrient management over decadal timeframes, two critical factors of national significance for both the New Zealand pastoral agriculture and resource sectors.

- 13 Ballantrae is located north of the Manawatu Gorge, on the eastern end of Saddle Road where it intersects with Morgan Road. The station covers 485 hectares (ha) of summer moist, moderate to steep hill country of which 330 ha are in pasture, 40 ha are in pines and the remaining 115 ha have been retired as part of a conservation project.
- 14 Our submission and expert evidence focusses on a specific research trial at Ballantrae – which the proposed SH3 route would bisect - known as the long-term phosphorus fertiliser and sheep grazing experiment. Established in 1975, it contains four different treatments - overlaid across the key aspects of hill-country farm systems, including slope and aspect. This research, its significant value to the farming sector and the detrimental effects of the road and its construction are addressed in more detail in the evidence of **Dr Alec Mackay, Dr Brent Clothier** and **Dr Harold Henderson**.
- 15 As correctly stated in para 70 of **Mr Lonnie Dalzell's** brief of evidence, Ballantrae has previously been considered for sale by AgResearch. For completeness, Paragraph 70 needs to also acknowledge any sale would include a requirement for ongoing protection of and access to the longterm fertiliser and grazing site. As an example of this in practice, AgResearch has a long term registered lease with FANZ to ensure the ongoing protection and use of New Zealand's other long-term fertiliser trial at Winchmore, on the Canterbury Plains.
- 16 The value of the fertiliser and grazing study is discussed in the evidence of **Mr Jeremy Neild**. The value increases with each year the study continues, and its results are becoming more valued by the farming industry both nationally and internationally with the influence of climate change on pasture production, species composition and animal performance. However, changes to any of the current trial conditions and immediate environment will bring the experiment as it exists to an end. This would be a significant loss to New Zealand's farming industry.

#### **NZTA CONSULTATION**

- 17 As stated in my introduction, AgResearch have willingly engaged with NZTA regarding the proposed SH3 designation route for over 18 months. Over this time, AgResearch has made considerable effort to share information and enable NZTA to fully understand the nature and significance of the research at Ballantrae, in order that they could make a balanced and informed decision on a preferred route option. The Fertiliser Association has also endeavoured to inform NZTA of the significance of this site to NZ.

- 18 On October 26, 2017, AgResearch staff met on site at Ballantrae with NZTA's consultants Mary O'Callahan and Nicholas Barker (from GHD Limited). Ms O'Callahan and Mr Barker indicated that farming considerations were not an adequate reason to steer away from an alignment option. Instead, NZTA's approach would be to work with landowners to compensate and minimise disruption.
- 19 AgResearch emphasised to NZTA representatives that Ballantrae is a nationally significant research site with wide-ranging benefits to the farming industry and should not be treated as a farming operation. Considerable information was provided by AgResearch to support this assertion and it is disappointing that this appears to have been given little weight in selecting the current preferred option.
- 20 In March 2018, we were informed NZTA had elected to proceed with Option 3: South of Saddle Road. Of the four preferred options at that stage, this option will have the most significant adverse effects on Ballantrae, as it will effectively terminate the long-term fertiliser and grazing study.
- 21 It became apparent through the Notice of Requirement application and proposed conditions that NZTA either did not fully understand the value of the long-term fertiliser and grazing site, or had chosen to downplay this, indicating it could be adequately dealt with through consent conditions. The application discusses mitigation and compensation to Ballantrae, including stock underpasses and minimising the road corridor width. It does not acknowledge the considerable effects to the wider farming industry of ceasing the fertiliser and grazing study.
- 22 AgResearch are left with much uncertainty regarding the actual details of the proposed road, including the width of the corridor and how much land would be taken, and the effects of construction. The proposed conditions (T3) require consultation with AgResearch and have been amended from "*minimise impacts, as far as practicable, on the farm operations and fertiliser trial sites at Ballantrae Farm Research Station*" to 'maintaining access, minimising noise and disruption and establishing a monitoring programme'. The application and proposed conditions are inadequate for several reasons, as discussed in the evidence of **Ms Bridget Robson**.
- 23 On one hand we have engineers proposing the narrowest of strips for the road, including steep banters for cuts and minimal interference across the remainder of the site. We acknowledge the panel's reference to engineering solutions to further minimise the effects of the steep cuts earlier in the hearing.

- 24 On the other hand however, we have NZTA, through the Property Group, seeking to purchase the entire 'corridor' – an area of nearly 19 hectares. Add to this, the possible impact of additional land for cycleways and walking tracks alongside the road – which may come out of this hearing process – and you will understand our concerns regarding the potential extent of the road and therefore the inability to successfully mitigate its effects.
- 25 The impacts of the proposed road alignment on the long-term fertiliser and grazing study and its value to the wider farming sector have been acknowledged by NZTA's expert witnesses, Dr Horne and Mr Morton, and are noted in the Joint Statement of Experts on Effects on the AgResearch Ballantrae Site. While this will be discussed further by Dr Mackay, I would like to draw your attention to the agreed statement on page 8:

*"If the designation corridor was to remain in the same location the credibility of the ongoing/future data collected from the long-term systems trial would come to an end because of the disruption to the systems and loss of permanent sites."*

#### **GENERAL POSITION AND RELIEF SOUGHT**

- 26 While AgResearch acknowledges the need for the new highway, it opposes the route and designation corridor crossing the long-term fertiliser and grazing site at Ballantrae. This research has significant benefit for New Zealand's farming sector and its local communities. The value of the research is attached to the longevity of the site rather than the underlying value of the land.
- 27 AgResearch has invested considerable time and money engaging with NZTA, preparing its submission and presenting its case at this hearing. We would prefer to invest this energy in research rather than processes such as this, however we remain willing to engage with NZTA in determining a suitable solution which avoids the long-term fertiliser and grazing research site.
- 28 In summary, there is a fundamental issue with the proposed route option which cannot be resolved through discussion or mitigation.
- 29 I want to propose the analogy of a car – an interesting example for consideration in a hearing on a future highway. The Ballantrae long term fertiliser and grazing trial is like a rare, vintage car, one of a handful of individually crafted machines still operating around the world.

To many people it's a car, but to the car industry it's a legend, irreplaceable, unique, and amazingly, is still in use today. Putting

a road through Ballantrae is like permanently removing and destroying the rear wheels of the car. Many would suggest we still have the majority of the car, indeed, we can still run the engine, but it is no longer operational or useful in the true sense of the word.

We have kindly been offered a brand-new car, air conditioned and full of modern developments, but that can never replace the original unique, 44-year-old model.

This car supports the productivity, sustainability and economic viability of most NZ hill country and the local communities that exist because of hill country farms.

- 30 As requested in our submission dated 13 December 2018, AgResearch therefore seeks the following relief:
- a. NZTA recognise the importance of the long-term phosphorus fertiliser and sheep grazing experiment to research, industry, education, farmers and the New Zealand economy
  - b. NZTA undertakes additional assessments of effects to account for the above
  - c. NZTA amends the designation route to **avoid** the long-term phosphorus fertiliser and sheep grazing experiment on Ballantrae
  - d. NZTA amends the planned construction activities to ensure an adequate buffer around the long-term phosphorus fertiliser and sheep grazing at Ballantrae to avoid offsite effects
  - e. NZTA amends the conditions to provide certainty that construction effects will not impact on the long-term phosphorus fertiliser and sheep grazing experiment at Ballantrae.

Additionally we request NZTA recognise option 3 will have a permanent, significant adverse effect on the trial.

Dated: 3<sup>rd</sup> April 2019.

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Ron Pellow