

StAG Subcommittee, 8 May 2014

BOPRC 1125 Arawa Street Rotorua. 11:30am – 2.30pm

Present:

Te Arawa Land rep Te Taru White; Collective rep Wendy Roe; LWQS reps Warren Webber and Don Atkinson; RDC Paul Skinner and Paulina Wilhelm; BOPRC Sarah Omundsen, Sandra Barns, Anna Grayling, Lisa Power Gloria Zamora and Esta Farquhar; Gwyn Morgan Fed Farmers; Ben O'Brien Beef and Lamb NZ; Simon Park (StAG secretariat)

Apologies:

Tanira Kingi, Ollie Parsons, Stephen Lamb, Hera Smith, Neville Nepia, John Fenwick and Stuart Morrison

Minutes, Actions

- General business Items
 - landowners under 10 kgN/ha - how will they contribute? Consider incentives eligibility.
- Action List – all completed or on today's agenda or carried forward to actions listed below

ACTION LIST:

1. Gloria Zamora: Ask Ingrid Tiriana when the pamphlet will be sent out.
2. Gwyn Morgan assisted by Hera Smith and Ollie Parsons: Prepare an outline of what they would like to see in Section 32 report to be presented at next StAG meeting.
3. Gloria Zamora: Send Doodle to secure date in July for additional Overseer session
4. Sarah Omundsen: Establish date for FNP working group
5. Paulina: to prepare an outline of TDR working group and timeframes for 22 May StAG.
6. Simon: to create hypothetical consent situations.
7. Simon/Sarah: discuss NDA analysis peer review options/timing with Lee Matheson.
8. Simon: write one-pager on options to improve StAG effectiveness in providing policy advice.

StAG Meeting Follow Up

Item 1: Transferable Development Rights Update - Paul Skinner/Paulina Wilhelm

1. TDR policy and rules provisions introduced within District Plan and most submissions have been supportive but with multiple questions on: TDR viability, process, threshold, triggers, donor/recipient spatial zones (SP1/SP2) and the number of TDR lots that can be created.
2. Given limited staff resources and the many TDR amendments needed, there is insufficient time to do a robust revision prior to RDC Hearings on 8 July 2014.
3. RDC staff will recommend to the Hearings Committee that high-level TDR policies be supported in their deliberation/decision (due October 2014) but that the full TDR process and detail be allowed time to develop after October 2014m, including:
 - a. Draft framework to consult with stakeholders
 - b. Aim for draft TDR rules mid-December 2014
 - c. Formal District Plan Variation process by February/March 2015.
 - d. Paul Skinner will still respond to the current TDR submissions.
 - e. BOPRC Rules/Incentives framework will influence be a variation to the TDR process.
4. RDC want a working party to scope out and be involved with TDR policies and rules.

- a. Working Group member suggestions: Bal Matheson, Phillip Martelli, Warren Webber, Don Atkinson, Esta Farquhar, Sandra Barns, Gwyn Morgan, Te Taru White plus a landowner rep from the 22 May 2014 StAG meeting.
5. Discussion on what is value of kilogram of nitrogen? What TDR value will make TDRs attractive? Consensus that the market will decide the TDR value.

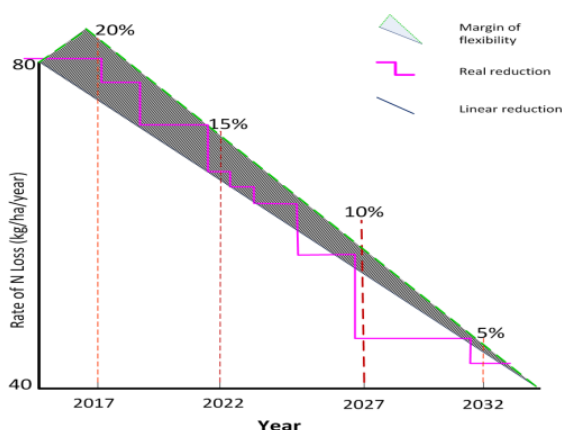
ACTION: Paulina and Paul: prepare an outline of TDR working group and timeframes for 22 May StAG.

Item 2: Rules Session - Lisa Power

NB: The precirculated “rules summary” document is still a draft and needs to be fleshed out for a wider audience – it is currently tailored for an informed StAG audience. This draft document outlines the “preferred approach” while the final version (for consultation July-September) will need to refer to alternatives and invite other suggestions from the community.

1. Managed Reductions

- a. This concept comes from the Regional Policy Statement WL6B¹
- b. A new “restricted discretionary” consent category has been introduced for those above the “managed reduction envelope” where, IF we are meeting our catchment target, consents could be granted but with shorter timeframes.



- c. The conceptual diagram has flaws but is only being used to illustrate a concept e.g:
 - i. the upper edge of the envelope should be horizontal at a maximum of 80kgN/ha
 - ii. a comparable drystock diagram gets tricky with smaller kgN numbers or decimals.
- d. Landowners need to understand and have certainty on how the incentive fund will interact with managed reductions, otherwise farmers will be reluctant to commit to mitigations requiring capital investment in their FNP. The uncertainty could extend to other farm investment decisions such as dairy shed upgrades. Consider the scope to preset an incentive value within the consent to be enable bank funding
- e. Need to be careful on explaining the 5 year restricted discretionary consent trigger
- f. Lower NDAs may need to use fixed kgN numbers to describe leeway, not %.
- g. Enforcement is key. Preference is for hard numbers and flexible enforcement response.
- h. Consider farmers have 20 year multimillion dollar loans that commit to major reductions in 2031 – how should that be managed within the rules?

¹ RPS WL6B links to a definition of **Managed reduction**: In relation to nutrients and water quality, “managed reduction” means planned progressive lowering of excess nutrient losses; where a target date exists, the progressive lowering is to reach the nutrient limit by that date.

- i. Simon Park to create hypothetical consent situations – check Ecan website.
 - j. Now that Government funding is approved, we can review allocation options in consultation with farmers, noting:
 - i. Importance of showing due diligence on options
 - ii. StAG still needs to come up with a community preferred approach.
 - iii. Consider a workshop on allocation specifically, or structure it within farmer consultative meetings.
 - k. Still need to look at offsets and N trading and their definitions
2. Permitted Activity Scope
- a. The permitted activity threshold is properties between 2ha and 40ha *that discharge less than 10kg N/ha/yr*. On its own, a 40ha threshold would be generous compared to other regional councils, but it is critically linked to the nitrogen discharge threshold.
 - b. Permitted activities will still have a reporting aspect for compliance with spot checks
3. Farm Nutrient Plan requirements
- a. Working group needs to meet soon on FNP minimum requirements.
 - b. Dwayne McKay (BOPRC consents team leader) and Alastair MacCormick will meet in 2 weeks on FNP minimum requirements prior to working group meeting.
 - c. FNP minimum requirements likely to include:
 - i. Benchmark / current rate of N loss
 - ii. NDA
 - iii. A pathway of managed reduction (showing target reductions by certain dates) with a built-in margin of flexibility.
 - iv. Mitigations to achieve the NDA (supported by an Overseer file as relevant)
 - d. Question: Will there be credit given to mitigation methods not recognized by Overseer e.g. moving animals away from waterways before rain?

ACTION: Simon to create hypothetical consent wording for 22 May subcommittee.

Item 3: Updates

- 1. SFF Trials: Parekarangi Field Day – Simon Park
 - a. 55 people attended and presentations by AgResearch's Dr Stewart Ledgard
 - b. Final report available upon project completion 31 March 2015
 - c. Nil N fertiliser trials promising – up to 29% less pasture dry matter but profit impact less as costs also reduce - net impact of nil fertiliser N depends on milk solids income \$/kgMS.
 - d. No brown-top reversion yet in nil N treatments but need longer to assess - DairyNZ will fund the pasture plot trials for another 2 years.
 - e. NB: rural bankers reiterated the urgency in defining the groundwater boundary.
- 2. Government Funding – Anna Grayling
 - a. \$19.5 million transfer from in-lake projects has been approved by Cabinet, as part of \$45.5m sum, plus \$2.5m for gorse, giving \$48m in total.
 - b. Gorse project costs are higher \$2.5 million. The gorse costs above the Government's \$1.25m share will be worked out in BOPRC's Annual Plan
 - c. \$2.75 million of \$5.5 million (i.e. Govt \$ share) has been approved for:
 - i. farm business plan and
 - ii. trials for low nutrient land uses.
 - d. Multi-year project allocation still needed on \$5.5 million – to be clarified 22 May.
 - e. BOPRC Councillor workshop on 9 May 2014 to discuss distribution of money and funding entity, including time needed to establish, recruit and implement.

3. Land Technical Advisory Group Update – Simon Park
 - a. Selection process has been written up by Simon Park, Andy Bruere and Gloria Zamora and is currently seeking approval by the Programme Steering Group and then Strategy Group on 3rd June.
4. NDA impact Analysis – Sarah Omundsen
 - a. Draft report has been received from Perrin Ag.
 - b. Report to be finalised by 22 May StAG meeting and Lee Matheson to speak on findings, with similar presentation at the Collective’s AGM 20 May.
 - c. Preferable for peer review before given to StAG

ACTION: Simon/Sarah to discuss with Lee Matheson on peer review options.

[**NB:** subsequent discussion and logistics indicates the process will be: (i) slide presentations 20 & 22 May; (ii) report independently reviewed late May; (iii) feedback also sought from industry agencies; (iv) report incorporates or appends (i), (ii) and (iii) feedback; (v) report published]

5. Improving StAG’s effectiveness in providing policy advice on “rules and incentives”- Simon Park
 - a. StAG generates useful discussion which is captured in minutes but specific advice is proving difficult, partly a reflection of StAG’s informal way of operating. Note that a review of StAG is due after two years of operation i.e. by November 2014.

ACTION: Simon to write one-page on improving StAG effectiveness in providing policy advice on “rules and incentives”

Item 4: Agendas for 22 May and 19 June 2014 - Simon Park

22 May 2014: Key agenda items to include:

1. NDA Impact Analysis findings - Lee Matheson
2. Expanded Rules paper - Lisa Power
3. Overseer version differences using Rule 11 data - Alastair McCormick
4. Funding entity and \$5.5 million options - Sandra Barns
5. Updates:
 - a. TDR process - Paulina Wilhelm / Paul Skinner
 - b. Collective AGM – Wendy Roe
 - c. Land TAG - Simon Park

19 June 2014: agenda not discussed.

Meeting ended 2:30 pm.