

Discussion Paper: Meeting the 2022 Lake Rotorua catchment nitrogen target

What is the issue?

There is uncertainty around how Council will ensure the 2022 catchment target is reached and how Council will respond if it isn't.

Background

The RPS Policy WL 6B part (c) states that:

No discharges shall be authorised beyond 2032 that result in the limit for Lake Rotorua being exceeded. A catchment intermediate target for the managed reduction of nitrogen loss is to be set to achieve 70% of the required reduction from 746 t/yr to 435 t/yr by 2022.

The table below shows the approach approved by BOPRC (September 2013) to achieve the required reductions and reflects a *shared* responsibility between Council (as administrator of public funds) and pastoral land owners.

	By 2022 (tN)	By 2032 (tN)
Engineering solutions	50	
Incentives	100	
Gorse	30	
Rules (and NDAs)	44	96
Total	224	320

To reach the 2022 target, the landowner share will be achieved by the reduction of 44 tonnes on individual farms through Nitrogen Discharge Allocations (NDA). Council will be responsible for achieving a reduction of 30 tonnes through the conversion of gorse to low-nitrogen land use, 100 tonnes from the purchase of nitrogen loss from landowners in the catchment via the incentives scheme and 50 tonnes through engineering solutions. There is a risk that not achieving the targets could come from various combinations of shortfalls.

An interpretation of the shared responsibility discussed above could mean Council accepts the responsibility of achieving 100 tonne reduction through incentives (plus gorse and engineering). This means that if those reductions are not met, the shortfall will not be reflected in amended NDAs. Council would have to achieve the reduction in other ways such as trading design, additional funding or new engineering solutions. Likewise, landowners will be expected to meet the 2022 NDA component of nitrogen reductions or clearly defined enforcement and compliance mechanisms will kick in.

A critical step in progressing rule development, incentive design and trading options is understanding how Council will ensure the 2022 is reached and how Council will respond if it isn't.

Rule development

Alternatives for managing the risk around reaching the 2022 target

The following options are possible as a means to provide certainty that the catchment target is reached but they undermine land owner certainty and flexibility to reach their NDA.

1. Require all consent holders to follow a relatively straight line of reductions between now and 2022 and thereafter to reach NDA by 2032.

This option does not reflect farming in real life (e.g. weather fluctuations, investment decisions and undertaking larger mitigations that will result in a staged reduction) and has been argued against by StAG farmer members to date.

2. Issue consents with short durations (5 years) that will allow council to take action (such as amended NDAs or decline further consents if 2022 catchment target is not on track)

This option is politically unacceptable and financially unacceptable to farmers. It undermines certainty that farmers can continue farming into the future.

3. Use section 128 review consent conditions or plan review/changes to alter NDAs to ensure target is achieved.

Whilst provided for by the RMA, these provisions provide no certainty for farmers as with the option above.

Staff Proposal

Staff consider that managed reduction must be part of the rule structure given the 2022 target needs 44 of the 140 tonnes (i.e. 31%) of pastoral sector reduction to be met. There needs to be a way to ensure each landowner knows what their individual reduction has to be so that the catchment target is achieved.

Staff are proposing that each property requiring consent has a target attached for 2022 and that target is a proportionate reduction reflecting the overall 31% pastoral sector reduction that is required. All NDAs are to be met by 2032.

EXAMPLE: A dairy farmer has a current nitrogen loss of 50 kgN/ha/yr and is allocated an NDA of 35 kgN/ha/yr. This will require a 15kgN/ha reduction by 2032. To ensure the intermediate catchment target is achieved, the farmer will need to have achieved 31% of their reduction by 2022 – a reduction of 5kgN/ha.

The consent therefore, would require that farmer's nitrogen loss would not exceed 45 kgN/ha/yr at 2022 and that by 2032 they would have to be at their NDA of 35 kgN/ha/yr.

Review clauses would focus on whether the 2022 target is met. If not abatement and enforcement action would be potential consequences.