Draft Rules Summary to assist "Managed Reduction" Discussion with Stakeholder Advisory Group, 10 April 2014

Draft rule activity classes

The RMA has a hierarchy of activity classes that relate to the effect being managed. For the Lake Rotorua catchment, the main effect being managed is the annual nitrogen loss per hectare.

Class	Class Definition	Draft Rule
Permitted	No consent needed but must meet conditions **stated** in the regional plan	• Nitrogen loss from properties up to 2 ha • Properties between 2ha to 40 ha that discharge less than 10kg N /ha/yr • Forest
Controlled	Resource consent needed and must be granted with the scope of any conditions stated in the regional plan	• Nitrogen loss from properties larger than 40 ha or properties discharging over 10kg N /ha/yr that have approved Farm Nutrient Plans. • Trading of nutrient discharges that allows increase in nitrogen loss if it can be offset in the same catchment
Non Complying	Resource consent needed and may be declined – the toughest category other than prohibited activities	• Nitrogen loss from properties that do not meet Permitted and Controlled rule requirements. • Increases in nitrogen loss that are not offset

Draft Nitrogen Discharge Allowance Implementation

- Resource consents will be required on all properties larger than 40 hectares or leaching more than 10kg N/ha/yr*

  *Stock intensity tables are being developed to help land owners determine whether they are likely to be operating under 10 kg N/ha/yr

- NDAs will be allocated to all properties requiring resource consent

- NDAS will be based on sector averaging and ranges within those sectors as shown in the table below:

Sector	N loss range*
Dairy: *includes* the effective pasture area in the milking platform, fodder and effluent but *excludes* runoff (e.g. dairy support) and forest.	30-40kg N/ha/yr
Drystock: *includes* the effective pasture area in sheep, beef, horticulture, cropping and dairy support but *excludes* forest.	10-20 kg N/ha/yr
Forest: *includes* native bush as well as forestry.	3 kg N/ha/yr

* The NDA allocated for each property will fall within the above ranges and be determined by a proportionate Rule 11 range. The figures are still being refined but the concept is: high nitrogen loss properties will be allocated the highest value in the sector range, medium nitrogen loss properties will receive 75% of their Rule 11 benchmark and low nitrogen loss properties will receive the lowest value in the sector range.

- NDAs will be calculated by determining the effective land use area of dairy, drystock and forestry pastoral each property at a specified date*.

  *A flexible approach will be taken here and individual farmers could indicate their preferred starting point through the Farm Nutrient Plan process, as long as the Rule 11 benchmark was / is not exceeded.

- The latest version of Overseer will be used to monitor compliance with NDAs*

  *At the moment Overseer is the best tool available and has been supported by the Environment Court. In time, industry prepared alternatives may become available. Regional council would need a process to approve such alternatives.

- Rule compliance is assessed against nitrogen loss over a three year rolling average
- Farm nutrient plans according to a schedule of minimum criteria will be a condition of all resource consents
- Farm nutrient plans will need to be prepared by certified nutrient management advisors and the latest Overseer Best Practice Data Input standards will need to be complied with
- Properties that go over the catchment boundary will only receive an NDA for the part of the property within the Lake Rotorua groundwater catchment (not applicable to permitted activities)
- Landowners with multiple properties in the Lake Rotorua catchment may apply for one resource consent to manage those properties
- Farm nutrient plans will demonstrate managed reduction – see below.

Draft 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 (see RPS Policy WL6B, as appended).

- Properties with a farm nutrient plan that meets the managed reduction criteria could receive a relatively long controlled activity consent term to provide certainty to landowners.
- Non complying activity consent applications will be assessed against the property’s amount of nitrogen loss, managed reduction towards achieving the property NDA and overall progress towards the catchment target at the time of application. If managed reduction towards the NDA or the catchment target is tracking unsatisfactorily, a non complying consent application is likely to be declined.

Options for further defining “managed reduction” will be presented to StAG on 10 April for discussion.

Rule topics for later discussion

There are several important aspects of rules that need to be developed with StAG, including:

- Farm Nutrient Plans
- Managing phosphorous losses
- Nitrogen Trading
- Interaction with the On-site Effluent Treatment Regional Plan (OSET)

Proposed Bay of Plenty Regional Policy Statement

Policy WL 6B negotiated with Federated Farmers, 8 March 2013

Policy WL 6B: Managing the reduction of nutrient losses

Require, including by way of rules, the managed reduction of any nutrient losses that are in excess of the limits established under Policy WL 3B by ensuring that:

(a) Rural production land use activities minimise their loss of nutrients as far as is reasonably practicable by implementing on-farm best management practices; and

(b) Any land use change that is required within the Rotorua Te Arawa lakes catchments to achieve the limits takes into account an equitable balancing of public and private costs and benefits; and

(c) 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.

Explanation

Managed reduction in the amount of nutrients derived from land use activities is necessary to halt the decline in water quality in at-risk catchments.

On-farm best management practices should be implemented to ensure that all rural production land use activities minimise their nutrient losses as far as is reasonable, practicable and affordable. The aim is to ensure that all rural production land users are operating in accordance with industry best practice.

For Lake Rotorua, current on-farm best practice alone will not achieve the nitrogen load reduction required to reach the sustainable nitrogen load of 435 tN/yr and land use change will be necessary. Beyond 2032 only discharges which enable the 435 tN/yr to be met will be authorised. The development of further resource management policy will have regard to the Oturoa Agreement.

The cost of achieving any further reduction in nutrient losses over and above on-farm best practice in a particular catchment will have a mix of public and private benefits and should be funded accordingly. Consequently, the implementation of Policy WL 6B will require the development of further policy under the Regional Council's Resource Management Act 1991 and Local Government Act 2002 responsibilities.

Nutrient reduction targets have been established to enable lakes such as Rotorua, Rotoiti, Ōkaro, Rotomā, Rotoehu and Ōkāreka to meet their target trophic level indices (TLIs).

Table reference: ***Objective 28****, 2, 10 and 17, Methods 2, 3 and 28*

Appendix A – Definitions

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.

Oturoa Agreement: The 18 February 2013 Memorandum of Understanding between Bay of Plenty Regional Council, Federated Farmers Rotorua and Lake Rotorua Primary Producers Collective.