



## **Terms of Reference for the Lake Rotorua Incentives Board**

The objective of the Lake Rotorua Incentives Board is to achieve a 100 tonne reduction in the discharge of nitrogen to Lake Rotorua.

It will do this by making sound financial decisions to secure permanent reductions in nitrogen discharges below the level of discharge established for properties and the catchment.

The Board's members will be appointed by the Bay of Plenty Regional Council on the recommendation of an appointments panel. The Board will operate at arms-length from Council wherever possible. The Board will have a minimum membership of five and a maximum of 7.

### **1 Terms of Reference**

The Lake Rotorua Incentives Board will:

1. Achieve a permanent 100 tonnes reduction in the discharge of nitrogen from the Lake Rotorua groundwater catchment at the least cost but within the budget of \$40million and within the parameters of the:
  - Lake Rotorua Incentives Scheme Policy July 2014; and
  - approved annual budgets.
2. Negotiate agreements to reduce nitrogen.
3. Collaborate, coordinate and communicate with relevant agencies
4. Ensure ongoing coordination with the Rules Programme and compatibility with the Rotorua Te Arawa Lakes Programme.
5. Adopt business rules for the operation of the Lake Rotorua Incentives Scheme to give effect to these Terms of Reference.
6. Will meet three times a year – and at other times as required.
7. Will report as follows:
  - The Incentives Board must report progress to funding partners and Rotorua Te Arawa Lakes Strategy Group on achieving the Lake Rotorua Incentives Scheme Policy July 2014 objective on a 6 month and annual basis, including budgeting information and projections.

- The Incentives Board must conduct an annual strategic review of the project, and report this to funding partners and the Rotorua Te Arawa Lakes Strategy Group.
- The Incentives Board must provide audited information as required by the Bay of Plenty Regional Council and any element of the Board's operation may be subject to independent review or quality assurance if required.
- The Incentives Board must report as directed by the Bay of Plenty Regional Council on any other matter.

## 2 Delegations of authority

The Lake Rotorua Incentives Board has the authority to:

1. agree to enter into legal agreements on the Bay of Plenty Regional Council's behalf which secure nitrogen reductions in perpetuity.
2. authorise the payment of funds to secure nitrogen reductions below nitrogen discharge limits in line with the Lake Rotorua Incentives Policy July 2014.
3. negotiate contracts for services to manage implementation of the Incentives Scheme, including service level agreements with Rotorua Te Arawa Lakes Programme partners.

The Lake Rotorua Incentives Board does not have the authority to:

4. Purchase or acquire land.

The above delegations are subject to the following conditions:

- a) The Board can commit funding to proposals where the financial commitment is within the budgeted amounts and on a multi-year appropriation basis as agreed by the funding partners (see Schedule 1).
- b) The budgeted amounts are as specified within the Annual Work programme, Three-Year Work programme and Financial Management Plan as are current and approved at any point in time.
- c) Any proposal that exceeds the approved budget amounts or that requires multi-year appropriation requires the approval of the funding partners.
- d) Payments for permanent nitrogen reductions must not, over the life of the fund, overspend the Incentives Scheme total budget or under achieve the nitrogen target.
- e) Agreements must not establish an unsustainable, average price given the Lake Rotorua Incentives Scheme's objective and budget.
- f) The due diligence requirement as described in the Lake Rotorua Incentives Policy July 2014 is satisfied.
- g) If an agreement takes the form of a deed, ensure that it is executed by at least two elected members of the Bay of Plenty Regional Council.

### 3 **Definitions**

Funding Partners: Ministry for the Environment and Bay of Plenty Regional Council.

Rotorua Te Arawa Lakes Programme Partners: Te Arawa Lakes Trust, Rotorua District Council, Ministry for the Environment and Bay of Plenty Regional Council.

Annual Work programme, Three-Year Work programme and Financial Management Plan:  
The relevant documents for the Rotorua Te Arawa Lake Programme as approved by the Rotorua Te Arawa Lakes Programme Partners as they relate to the Incentives Scheme.

## Schedule 1: Current and Forecast Incentives Scheme Budgets

Budget as at August 2014.

Budget 2014/15 \$000	Budget 2015/16 \$000	Budget 2016/17 \$000	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000
3,000	4,000	6,000	5,400	5,400	5,400	5,400	5,400