

## Minutes for Lake Rotorua Catchment Stakeholder Advisory Group, 16 December 2014

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Rotorua District Council – Committee Room

1061 Haupapa Street, Rotorua, 9:00 am start

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**Chair:** Stuart Morrison

**Members Present:**

- Collective: Tony Cairns, Wendy Roe, Neil Heather and Christine Paterson
- LWQS: Don Atkinson, Warren Webber
- RDC: Cr Karen Hunt
- TALT: Roku Mihinui, Leilani Ngawhika
- Te Tumu Paeroa: Neville King
- Te Arawa Landowners: Hera Naera

**Others Present:**

Sharon Love (deer sector StAG nominee); Don Hammond (Small block sector StAG nominee); Gwyn Morgan (Federated Farmers); Ben O'Brien (B&LNZ); Max Winders; Robin Connor (MPI); Pauline and Richard Kean; Cr Arapeta Tahana (GHA).

BOPRC staff and contractors: Sandra Barns, Anna Grayling, Sarah Omundsen, Stephen Lamb, Lisa Power, Hariata Ngatai, Alastair MacCormick, Dwayne McKay and Warwick Murray; Simon Park (StAG Secretariat); Gloria Zamora.

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**Action summary**

1. Stephen Lamb: Advise next StAG on NDA starting point options where there is no benchmark
  2. Simon Park: Subcommittee to discuss NDA Overseer conversion principles/formula and report to next StAG.
  3. Stephen Lamb: respond to Robin Connor's N trading recommendations at next StAG.
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**Item 1: Welcome, Karakia, Introductions and Apologies**

Chairman substitute Stuart Morrison welcomed StAG members and attendees to the meeting and Cr Arapeta Tahana opened with a karakia.

Apologies for absence: John Fenwick, Clinton Hemana, Cr Neil Oppatt, Jo Carr, Giselle Schweizer, Tanira Kingi and Angela Sharples

Apologies for lateness: Ben O'Brien, Roku Mihinui, and Hera Naera

<b>Motion: Apologies approved. Atkinson / Heather, CARRIED</b>
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**Item 2: Minutes of previous meeting (18 November 2014) including Actions**

- a) **Clarification:** Item 6(a-d) notes on Farm Nitrogen Plans update is staff opinion only.

**Motion: 22 October 2014 Minutes approved with clarification. Atkinson/Hunt CARRIED**

**Item 3: General business items to add**

- a) Changes from Overseer 5 to 6 relative to draft NDA levels – Tony Cairns
  - b) Alternative dairy supply proposal – Tony Cairns
  - c) Transferable development rights (TDR) update – Don Atkinson
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**Item 4: Principles for converting nitrogen loss from Overseer 5 to 6: Alastair MacCormick**

- a) The objective is to transparently agree on the mathematical principles for converting NDA levels (including sector ranges) from one Overseer version to the next, while remaining consistent with the Integrated Framework, notably that rules reduce lake load by 140 tN. The principles need to cope with adjustments to the underlying databases which continue to evolve e.g. newly benchmarked properties; groundwater catchment boundary (5000ha larger than Rule 11); inclusion/exclusion of properties < 2ha
- b) The principles are shown in the [presentation](#), including that:
- c) Dairy and drystock sector NDAs are re-calculated using the same percentage reductions relative to ROTAN values i.e.
  - i) Dairy: 54.1 → 35 = 35.3% reduction, corresponding to 96 tN overall
  - ii) Drystock: 15.7 → 13 = 17.2% reduction, corresponding to 44 tN overall
- d) The upper and lower limits of sector ranges are more subjective and need to be manually adjusted until target load is achieved.
- e) StAG discussion:
  - i) Problems and confusion are likely when there are multiple data sets, variations from ROTAN and benchmarked values plus ongoing Overseer version changes, all of which can yield different N loss levels.
  - ii) Request for an audit trail to explicitly show all manipulation of the numbers
  - iii) Question: Given the RPS refers to 435 tonnes, are there any legal issues around manipulating the numbers?
  - iv) The RPS refers to the lake load while the Overseer numbers discussed today are farm load at the root zone – the difference between the two is attenuation.
  - v) As the draft rules firm up, so will the likely NDA numbers.
- f) A farmer example of changing Overseer numbers was given: In Version 5, benchmark was 64 kgN/ha/yr and current N loss has reduced to 38 kgN/ha/yr i.e. only 3 kgN away from the 35 target. In Version 6, current N loss is 67 compared with draft V6 NDA of 46 (equivalent to 35 in V5) i.e. the farm is much further away the NDA under V6.

**Action:** Subcommittee to discuss NDA Overseer conversion principles and report to StAG.

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**Item 5: Regional Direction and Delivery (RDD) committee – Sarah Omundsen**

- a) Staff made 11 recommendations ([link](#)) to BOPRC's RDD Committee (9/12/14) and all were approved. RTALSG has not signed off on these yet. Key points:

- i) Include a method with the rules on science reviews
  - ii) Notification will be delayed till Mid 2015 to allow Section 32 consideration
  - iii) Activities under 10 ha permitted except specified intensive uses
  - iv) At RTALSG, Mayor Chadwick required that the paper and recommendations go to RDC in early 2015 before it can be endorsed by RDC
  - v) Letters will be sent out next week to those who sent in feedback.
- b) StAG discussion:
- i) What are the consequences for reaching 70% by 2022 given reduced small block restrictions? Staff: Shifting limit from 2-10 ha will only make a marginal difference as there are still controls on intensive use.
  - ii) Rules are not effective if you can't enforce them, or they are uncertain. Many small block owners couldn't provide animal info they are pursuing a lifestyle, not a commercial operation with detailed records.
  - iii) Intensive land use exclusions in the sub-10 ha rule need to be carefully defined.

**Item 6: Advice from the 11 December allocation workshop – Sarah Omundsen**

- a) Useful information for staff but mixed feedback from participants – some wanted a more technical debate on allocation options
- b) Natural Capital allocation was discussed in depth and there was support from many attendees as the best long-term solution BUT many also saw the current hybrid (with some modifications) as a reasonable approach
- c) Economic impact data was not ready and will inform future allocation discussion
- d) There is interest in a second smaller workshop once economic analysis is available.

**Item 7: Nutrient Trading in the Lake Rotorua Catchment – Robin Connor, [slideshow](#), [paper](#)**

- a) Robin has been seconded to BOPRC to advise on how an N trading scheme could work, its benefits and risks, although this is difficult when N rules and allocation are not defined.
- b) See Robin's six Recommendations in his paper and slideshow.
- c) StAG discussion:
  - i) Suggest trading considers higher risks from N discharges closer to the lake
  - ii) Suggest allocation based on N reductions, not NDA as Overseer numbers change
  - iii) Short term entitlement (STE) trading adds even more complexity
  - iv) Restriction on NDA trading till 2022 deserves consideration given how challenging it will be for the incentives fund to buy 100 tN.

**Action:** Stephen Lamb to respond to Robin Connor's N trading recommendations at next StAG.

**Item 8: The Incentives Scheme**

- a) Incentives Board – Stephen Lamb
  - i) The Board is set up and has had two meetings so far, another planned for January 2015.
  - ii) Priorities are being developed and the Incentive Programme Director job description will be put out shortly
  - iii) Linkages to \$3.3m low nitrogen land use investigations is a “work in progress”
- b) Results of incentives uptake survey – Sandra Barns, see [slideshow](#) summary.

**Item 9: Updates**

- a) **Transferable development rights** – Don Atkinson
  - i) A TDR working group scheduled for 18 December
  - ii) The recent District Plan decisions enable more intensive subdivision in an expanded rural residential zone (Rural 2) around Lake Rotorua for which they will not require a TDR. Therefore there will be no demand or value for TDRs.
  - iii) Appeals need to be lodged by 19th of January - LWQS will be objecting.
  - iv) TDRs are intended to provide a financial incentive to surrender N.
  - v) Is this RDC approach giving effect to the Regional Policy Statement?
- b) **Catchment economic analysis** – Sandra Barns
  - i) Some problems with GIS data and complexity – difficult but now resolved.
  - ii) Recent meeting with Ollie and Alvaro flagged delays: now looking to March to complete district analysis with full reporting back to StAG April/May 2015.
- c) **Opportunities Symposium** – Warren Webber
  - i) Informal group met to set out principles, including that all topics to be presented must be subject to critique before acceptance – scope to use Land TAG for that.
  - ii) Administrative support is being put in place.
  - iii) Potential dates are 16+17 April or 23+24th April 2015 (both Thursday + Friday)
- d) **Land TAG** - Simon Park
  - i) 2<sup>nd</sup> meeting held 26th November, still developing a tangible work programme.
  - ii) Land TAG will assess nitrogen mitigation cost-effectiveness hierarchy – information useful for farmers, Incentives Board and staff.
  - iii) StAG comment: Waikato RC has some mitigation menus that may be helpful.
- e) **Groundwater boundary meeting on 11 December** – Simon Park
  - i) Difficult to identify all affected landowners – 20 landowners from 13 properties represented at the meeting.
  - ii) Some of the science was pitched at a too technical level
  - iii) Much debate on Mamaku storm runoff towards Waikato, compared with groundwater towards Rotorua
  - iv) StAG comments:
    - These additional farmers were not interested in graphs on Rotorua stream N concentrations. They wanted to know why they have been included.

- A peer (farmer) needs to review presentations prior to similar meetings
- No concrete groundwater data or clear geology explanation was provided
- Waikato Regional Council needs to be in the room as well
- The Collective believes farmers went away confused.

**Item 10: General Business**

- a) Alternative dairy supply proposal – Tony Cairns
  - i) Up to nine farmers have been involved in discussions with an alternative milk supply company, although some have since dropped out. Tony advised the numbers didn't stack up for him personally.
  - ii) Some schemes are clearly targeting the incentive money.
  - iii) Request that BOPRC not give out farmer information and develop a sanction or vetting process for third parties wanting to approach farmers
    - Staff commented that no information has been provided to third parties.
  - iv) StAG discussion:
    - Agreed that farmers are vulnerable given the nitrogen rules and caution is needed, especially as some third parties will seek credibility by association with and/or support from the Regional Council and Grow Rotorua
    - Council cannot prevent others from promoting schemes to farmers and while caution is warranted, innovation is needed too.
    - Suggest that innovative mitigation solutions be peer reviewed by Land TAG
- b) Resource Consent Management Plan – Dwayne McKay
  - i) Showed an example of what a resource consent could look like with property details, NDA and a requirement to provide a Farm Nitrogen Plan at five yearly intervals, or less if the landowner wishes to update it sooner.
  - ii) Questions to be addressed include the process around non-compliance and Overseer updates
- c) StAG thanked Sarah Omundsen for her contribution and wished her the best of luck in her new role at BOPRC looking after the Tauranga Harbour catchments.

**Meeting Concluded 12:15 pm**