

Minutes for Lake Rotorua Catchment Stakeholder Advisory Group

18 August 2015

Rotorua Lakes Council Committee Rooms, 1061 Haupapa Street, Rotorua. 10:00 am start

Chair: Tanira Kingi

Members Present:

- Collective: Joanna Carr, Chris Paterson, Stuart Morrison and Gisele Schweizer
- Te Arawa landowners: John Fenwick
- LWQS: Warren Webber and Don Atkinson
- TALT: Roku Mihinui
- BOPRC: Cr Neil Oppatt
- RLC: Cr Karen Hunt
- Deer: Sharon Love
- Small Blocks: Graham West and Don Hammond

Others Present:

Don Love; Linden Hunt; Maggie Hope; BOPRC staff: Sue-Ellen Craig, Lisa Power, Stephen Lamb, Namouta Poutasi, Helen Creagh, Warwick Murray & Hariata Ngatai; Simon Park (Secretariat).

Action Summary:

1. Hariata Ngatai: liaise on comms with a small StAG group comprising Graham West, Karen Hunt, Neil Oppatt, Don Hammond, Warren Webber and Jo Carr.
2. Stephen Lamb to:
 - a) provide the NMP and consent timeline/ steps
 - b) add rule wording that NDA compliance will not be block focused
3. Simon Park to:
 - a) circulate the revised NDAR and NMP templates and discuss with Collective members, including an update on Beef & Lamb's Land and Environment Plan process
 - b) Liaise with Alastair McCormick on explaining BOPRC's Overseer protocols and arranging a meeting with fertiliser companies and Lee Matheson
 - c) Prepare a one-pager with NDA/Overseer version change maths logic
4. Warren Webber: report back to StAG on status of mediation when appropriate

Also: See motions below on StAG's future and nominations for \$3.3m fund Assessment Panel.

Item 1: The future of StAG

Chairman Tanira Kingi welcomed StAG members and attendees to the meeting. Tanira noted that although today had been flagged as the final StAG meeting, there had been calls to extend consultation on the draft rules and this had implications for StAG. Tanira then handed over to Warwick Murray to comment on StAG's future.

Warwick noted that:

- BORPC has heard concerns from the deer and small block sectors about the adequacy of consultation; RLC concerns about economic study; B&LNZ about the N allocation system; Federated Farmers & Collective wanting a new approach to rules.

- StAG was intended to help us develop a “consensus” set of N rules. However, we are hearing several views that we haven’t got there yet i.e. we need to hear any new information that will materially affect the rules
- This means BOPRC will work with: various sector groups e.g. recent liaison with Graham West on Small Block Owner (SBO) concerns; proposed meetings with Te Arawa iwi; meeting RLC staff later this week.
- These groups could potentially bring specific material to StAG for consideration
- Overall, this means 2-3 months additional work on engagement and rules development to ensure BOPRC has got the best possible rules package for notification. The deferral date is not fixed but resolving issues before the end of 2015 is desirable.

Warwick advised that therefore the disestablishment of StAG needs to be deferred.

Discussion

- Rules can’t be deferred endlessly, but BOPRC and StAG need to listen to sector concerns
- It is disappointing we haven’t reached consensus. Although consensus may prove elusive, it is still worth aiming for, especially to get a 2032 NDA allocation that is as fair as possible.
- Noted that the Courts have been clear that questions around science are not a sufficient reason to defer new rules as decisions can be made with imperfect science. If the science changes, the rules can change i.e. adaptive management. The precautionary principle applies too. Council feels it has done as much as possible without new rules.
- Tanira noted that BOPRC is offering to extend consultation by 2-3 months. StAG can come back together once BOPRC has heard from all the concerned parties
- Farmer Collective members emphasised that “consensus” in StAG discussions does not mean a unanimous view, nor that any positions reached were agreed by people outside StAG. Rather, it was a considered view that evolved over 2.5 years of intensive debate.
- The Collective was concerned that misinformation about StAG and the draft rules on the Protect Rotorua facebook page was not being corrected
- BOPRC would prefer that this isn’t fought over in the media but that key parties should present their views and information to BOPRC, then subsequently to StAG if a consensus view is achievable. New information should be able to be reviewed by experts so that BOPRC and StAG can use it appropriately.
- We need to acknowledge that we missed some things initially e.g. identifying equestrian activity as a more intensive land use which could have some concessionary rule
- What about owners with less than 2ha? Who is speaking for them? The 2014 draft rules excluded under 2ha but they are now included.
- Rotorua Lakes Council appreciates the breathing space from extending consultation – this will also allow a better economic and social impact assessment to be prepared.

MOTION: That StAG recommends that the term of StAG be extended and that the rules not be notified until such time as BOPRC has allowed time for sector groups to communicate with Council, and to allow sector presentations and papers to be put to StAG for its consideration.

Moved: Warren Webber. Seconded Gisele Schweizer. Passed; Sharon Love abstained.

Discussion continued:

- BOPRC staff need to clarify the SBO profile and liaise with Don Hammond and Graham West on SBO engagement
- Small blocks with a few horses will still exceed the permitted limit
- Nearly three years of StAG is a substantial period, we were on track and we don't want another 11th hour delay from another group who claims it hasn't been heard.
- We need reassurance that no group's input is missing, we need to understand the concerns, compile those and circulate a summary/table
- While BOPRC wants consensus, it is not essential. Also, StAG efforts have not been wasted as tremendous project has been made.
- It's been difficult for those who came in late to the StAG process, but we're still focused on getting fairest outcome for the lake and the community, otherwise it will be costly for everyone
- While StAG needs to do its best, it is ultimately BOPRC's job to get it right. StAG members are taking it seriously, including seeking independent legal advice
- There is an onus on StAG members and the public to respond - Councils are always asking for feedback by every means possible but sometimes the response is poor. StAG members need feed back to their various groups and then back to Council or StAG

Tanira noted that discussion on StAG's role could continue later and the formal agenda order would now resume.

Apologies for absence: Neil Heather, Clinton Hemana, Ben O'Brien; **leaving early:** Roku Mihinui, Don Hammond and Jo Carr.

Motion: Apologies approved. Hunt/Morrison CARRIED
--

Item 2: Minutes of previous meeting (21 July 2015) including Actions

Simon Park summarised the Actions from 21 July, noting these had either been completed or were incorporated into today's agenda (except the "rules navigation chart" which is being worked on). No discussion of the minutes was sought and no amendments were requested.

Motion: 21 July 2015 Minutes approved without amendment. Webber/Hunt CARRIED

Item 3: General business items to add

Update on Proposed District Plan subdivision mediation - Don Atkinson.

Note that meeting presentations may be found [HERE](#).

Item 4: Draft rules communication and targeting specific groups – Sue-Ellen and Hariata

Sue-Ellen and Hariata spoke about the ongoing communications on the draft rules, including:

- No feedback was received from StAG members on Hariata's July presentation
- Messages need to convey the past, present and future initiatives
- There is growing national and international interest in collaborative approaches such as StAG e.g. Malaysian government delegation visiting local farms today.
- Rules comms: these need to be clear and in plain language, but also distinguished from formal rule documentation

- Staff are working on better understanding small block owner concerns, including:
 - Recent meeting with Graham West
 - Analysing data on SBOs (census, rating data, GST, loyalty card data) to better characterise who they are, land use and their concerns
 - Using a “matrix approach” to identifying and targeting different audiences
 - Face to face survey research over the next few weeks, focus on where people are naturally congregating at cafes
 - Discussing how small block owners wish to be represented in ongoing discussion
 - Identifying human interest stories that illustrate different situations
- A “single source of information” about the rules and wider programme is important. We acknowledge the current www.rotorualakes.co.nz site has become unwieldy. This is being revised to make it easier to navigate, find the latest draft rules etc.

Discussion

- The stocking rate table needs to be checked and corrected e.g. fawns are not correct. Staff noted the table has been updated in Overseer 6.2.0 and will be published in about a week
- Many SBOs will be permitted activities, but they don’t realise that, nor that they can get a controlled activity consent at a higher N level (with reduction obligations) i.e. the messaging is not clear on options for SBOs
- The RMA “complying” language is confusing - SBOs need to see that options do exist
- Consider a “pop-up shop” – this worked well for [RLC’s “Ideas Store”](#) with ~1400 people over 8 weeks. For some, multiple visits were needed to understand new concepts. **StAG general support for this method.**
- Inclusion of <2ha properties in the rules:
 - Basic information is not available e.g. this will capture bowling greens
 - Disagree that consents are an option for these – note the poor SBO compliance with [NAIT rules](#) (National Animal Identification and Tracing)
 - Most SBOs want to continue without the need for a consent
 - We need to know how many properties, and what area is <2 ha.
- Large blocks need to know their provisional NDA and how it has changed with Overseer version changes, including relative to their BM and current N loss. We’ve only just found out we are OK, but most others don’t know
- The process for 40+ ha is via NMPs - people don’t know it will take time to work through
- Why are Overseer 6.2 NDA numbers not available? There is some fear with the 6.2 range figures, especially given the massive Overseer changes. The NDA info is not coming out consistently
 - Noted that staff are busy preparing 6.2.0 benchmarks (or derived benchmarks) and provisional 6.2.0 NDAs for all blocks and properties.
- Good comms are useful, but farmers really need their numbers explained now so they can understand the (draft) rules impact on them. Farmers need accurate info. There is a lot of misinformation out there, including on social media, and it is not being corrected.
- A targeted rule implementation approach is OK but all properties need a valid benchmark and provisional NDA in 6.2.0
- Side discussion on Overseer work:
 - Additional investment just announced that will help improve the model

- Warwick Murray is leading a multi-regional council project on the appropriate use of Overseer in RMA regulations
- Tanira noted that BOPRC needs to:
 - make accurate provisional NDA information available to individual landowners
 - provide clear overall context on why rules are needed and what else is happening to support the rules i.e. incentives, advice and support, engineering actions
 - use StAG to help design comms material and advise on channels
 - have a better profile of the catchment and people.
- Stag members observed that the latest brochure is rules centric and not “farmer/landowner friendly”. Comms material needs to get their attention.
- Comment that we should agree on what we are doing before embarking on comms
- We need to get comms ideas to Council in a constructive way

ACTION: Hariata Ngatai to liaise on comms with a small StAG group comprising Graham West, Karen Hunt, Neil Oppatt, Don Hammond, Warren Webber and Jo Carr.

Item 5: \$3.3m low nitrogen land use fund – decision making framework – Helen Creagh

Helen Creagh spoke to the precirculated papers on the \$3.3m fund (draft report to RTASLG, criteria and proposed decision making framework). Helen also tabled a revised redline framework paper and noted that:

- MfE feedback has now been incorporated. This has: tightened the audit and criteria weighting; clarified that the fund’s investment approach will be sorted before calling for expressions of interest (EOI); defined the Panel’s role; added a conflict of interest clause
- Any final feedback from StAG is needed urgently in order to take the paper to RTASLG in October – this timing should allow us to call for EOI before Christmas.
- Final decisions on approving projects will follow the appropriate staff or Committee financial delegation within Lakes Programme.

Discussion

- Tanira noted that MfE’s feedback sees the Panel as having a narrow focus of assessing applications, and that RTASLG can sign off an investment strategy/approach. But RTASLG cannot set out game plan on how the \$3.3m can be usefully invested – that needs to be done at a level below RTASLG. A small interim working group can do that, led by staff
- Staff should lead but they may consult experts and stakeholders. MfE are saying this is a clear local government function but we should avoid pre-determination.
- Helen confirmed that she will lead this process i.e. finalising the Panel’s ToR, appointing the Panel members, the process for developing the investment plan and calling for EOI. It would be useful for StAG to nominate someone for the Panel. We envisage 5 Panel members: Incentives Board (Taru White); Small block/deer; Collective; StAG; Land TAG. The Panel can seek expert advice as required.
- A Collective StAG member expressed concern that the \$3.3m was an overly competitive process where the “best dressed” can dominate, rather than the best ideas. While many landowners see N mitigation as a new thing, we should use experts who can help set priorities on what we need to do. This should focus on what we are trying to solve.

Therefore it shouldn't be a fully open competitive process. The composition of the panel doesn't matter too much provided the right expert advice is taken into account.

- We still have a dilemma – we want the Panel to do more than assessment but MfE wants the game plan set before the Panel does its work. We still need high level direction – comments included:
 - It is OK for the Panel to set direction with the right people and the right advice.
 - Can an initial direction-setting group morph into the Panel?
 - Prefer to have experts to set direction, not stakeholders and the Panel
 - Need to split roles/functions
 - Use a group that Helen pulls together - Land TAG is the obvious choice, reflecting previous understanding that LTAG would be involved
 - This isn't about "representation" but about getting the best people
- Helen responded that these concerns have largely been incorporated into the redlined "decision making framework" just tabled. BOPRC wants a combination of representatives and experts on the Panel. Recommendations will still reflect the criteria. To recap, I will finalise the ToR based on the current paper and appoint the Assessment Panel. It will then take advice from LTAG and set the investment plan, then call for EOI.
- Tanira then called for nominations of the StAG appointee to the Panel
- Clarification was sought on the criteria for the StAG Panel member:
 - Helen noted it was both technical expertise and understanding landowner needs
 - The proposed project criteria are set out in the circulated documents
- Warren Webber nominated Graham West, due to his technical expertise as a scientist and awareness of issues through StAG, particularly small block owner needs
 - Cr Karen Hunt seconded Graham's nomination
- A Collective member noted we also have an experienced researcher as StAG chairman in Tanira - why not use the expertise of both Graham and Tanira?
- Don Atkinson agreed and nominated Tanira Kingi
 - John Fenwick seconded Tanira's nomination
- Tanira asked for further nominations. There were none, so nominations were closed.

MOTION: That Graham West and Tanira Kingi are StAG's nominations for the Panel. Moved and seconded as above. Passed.

- Helen noted that: she would now liaise with the Collective and LTAG to get their nominations; the Incentives Board will be represented via Te Taru White.

Item 6: Nitrogen Management Plan update

Simon Park gave a brief NMP verbal update on behalf of Rosemary Cross, noting:

- The NMP and NDAR templates had been discussed at both May and July StAG meetings
- Both templates have been simplified e.g. removing the sections with instructions to Land Use Advisors and information to landowners – both these will now be provided separately.
- The updated templates were presented to the StAG subcommittee meeting on 29th July and members were happy with the revisions.

- Council staff are meeting with DairyNZ on 24th August to discuss integrating the requirements for the development of NMPs, as outlined in Schedule 6 of the draft Rules, with DairyNZ's Sustainable Milk Plans.

Discussion

- Farmers need to see the revised drafts of NDAR, NMP and SMP to consider
- Need to strike a balance between updating templates and having stability

ACTION: Simon to circulate the revised NDAR and NMP templates and discuss with Collective members, including an update on Beef & Lamb's Land and Environment Plan process

SLA: Can give an email update, some frustration on changing templates

- Suggestion for a Gantt chart or similar to show NMP and consent process

ACTION: Stephen Lamb to provide the NMP and consent timeline/ steps

Item 7: Draft rules update - Stephen Lamb – see [paper](#)

Stephen gave a rules update including:

- The current draft rules have not been put forward for notification – this will be covered in the 20th August Regional Direction and Delivery (RDD) Committee. The rationale is to allow Council to hear additional views on the draft rules package, as per [Council's public statement](#). No date has been set for notification.
- Draft rule specifics, including issues canvassed at 29 July subcom:
 - Short-term trades are now “managed reduction offsets”, consistent with the terminology of short term “managed reduction targets”.
 - Blocks are OK for allocation provided compliance is at the property level
 - Acknowledge that farm management also occurs at property level, even though NDA is a sum of the blocks
 - A key reason is that blocks have productivity associated with them, consistent with the farming system. Block allocation is also easier for ongoing data management
 - There are differences in how NDA is calculated, as per circulated paper

Discussion:

- Farmers have doubts about using blocks on an ongoing basis. If a farm was benchmarked today, you would have quite different blocks from 2001-2004. The same is true for future farm changes, so block alignment with NDA is not logical.
- Concerns are mainly where land management occurs, not major land use change. Compare an Incentives Board purchase of N from one block, Vs a 10% farm-wide decrease.
- Comment that landowners received an overall property benchmark, not the block assessment that sat behind that
- If a major reduction occurs on specific blocks, then it is OK to shift N within the farm so long as the total farm NDA met. In this case, why does data management need to occur at block level?
- Staff noted that all Overseer files are block based, including Rule 11 benchmarks. Given Council is not “managing” NDA by blocks, the better term would be “measurement”

Break for lunch

Item 7: Draft rules continued with nitrogen allocation worked example – Simon Park

Simon Park demonstrated a simplified example of the draft NDA calculation using data provided by Sharon Love. Key points were:

- All figures are use Overseer 6.2.0, and the corresponding draft drystock NDA range which has only just been developed (to be explained later in agenda). Example figures were:
 - An NDA of 77 kgN/ha on 38ha; 20% drystock NDA clawback gives ~62kgN/ha
 - 62 is above the draft 18-54.6 NDA range, so the upper limit of 54.6 kgN/ha applies
 - The current N loss is 22 kgN/ha/yr, so the “surplus” (54.6 minus 22) is 32.6 kgN/ha which is available for sale to Incentives or another farmer, or can be used on-farm
 - Over 38 ha, the provisional NDA gives a surplus of about 1235 kgN

Stephen Lamb then resumed the draft rules update, noting that:

- Trading was OK in principle, although with constraints, such as not exceeding benchmark N loss levels – this would reduce the risk to the incentives target.
- Managed reduction concept endorsed, with interim targets for 2022 and 2027, with some flexibility around those numbers via short term “trading” in managed reduction offsets
- Council considered trading was most likely to occur post 2022 (see diagrams in ppt)
- Leases: it is clear that NDAs, like current Rule 11 benchmarks, are part of a landowner’s property right i.e. owned by landowner. Such rights will need to be accounted for in lease agreements between owner and lessee. If the owner agrees, the resource consent and NMP obligations could be met by the lessee.

Discussion

- What about contractual lease obligations to do things such as a specified fertiliser use – could there be conflicted objectives?
 - These matters require a legal sort out, and there is time to do so
- The lake has too much N - why even consider N trading on short term basis? Is the outcome a clean lake?
- Staff noted there is an overall transition from high N loss to lower levels. It would have been simpler to use a current start point but StAG was clear that benchmarks should form be the start point given it is an existing property right. The overall path is to reduce economic impacts but not sacrifice the lake target
- A farmer noted that Rule 11 happened - we cannot relitigate history
- Concerns raised about lack of Rule 11 compliance/monitoring and potential slippage
- Farmers again raised concerns about blocks being the basis of NDA measurement. If the whole farm is the focus, it doesn’t matter too much about the old blocks. The risk is that the integrity of the information fades over time. Both farmers and Overseer will need different blocks over time. Farmers need to see an implementation plan
 - Staff noted this was a relevant topic where a post-StAG entity could have input. But there need to be recognition of Incentives Board requirements as their target is a critical part of the Integrated Framework.

ACTION: Stephen to add rule wording that NDA compliance will not be block focused

- Farmers raised concerns about different Overseer expert users producing different current N loss rates for the same farm

- Simon noted some N loss differences are due to different assumptions, notably soil parameters, and choosing non-default options within Overseer

ACTION: Simon to liaise with Alastair on explaining BOPRC's Overseer protocols and arranging a meeting with fertiliser companies and Lee Matheson.

- Version changes - some numbers change by ~300% i.e. people are wary of Overseer

Item 7d: Draft NDA allocation in Overseer 6.2.0 – Simon Park

See Simon Park's [presentation on the draft 6.2.0 NDA range calculation](#).

Discussion

- Generally favourable comment – members asked for the presentation to be made available for further review and comment
- The elimination of the NDA gap between drystock and dairy seemed logical
- The “maths” in the version change process needs to be explicit

ACTION: Simon to prepare a one-pager with NDA/Overseer version change maths logic

- Landowners still want their individual provisional NDA – can letters include draft numbers?
- Queries on the status farms that haven't made Rule 11 Overseer files available to BOPRC
- Staff noted that:
 - Under for <40 ha properties relies on allocating the average drystock NDA
 - Council is assessing the value and logistics of sending out provisional NDAs. This is not straightforward, hence working NDAs through the Advice and Support service
 - Wariness about putting a set of numbers out there, when the policy could change
 - It would be feasible to send out the average sector 6.2.0 numbers
 - IF property-specific provisional NDAs are sent out, they should be sent to all

Item 7e: Next Steps in draft rules – Stephen Lamb

Stephen summarised next steps including:

1. Confirm the draft 6.2.0 allocation method with Warwick Murray and post the presentation
2. Continue to develop the rules Comms plan, incorporating StAG feedback today, plus a reminder email to be sent to identified StAG members seeking further input
3. Develop a series of online one page summaries to explain key elements of the draft rules
4. Finalise the draft rules brochure, noting that it is not specifically targeting farmers
5. After RDD, circulate the draft rules and seek feedback
6. Stephen to meet with any groups to explain rules, plus ongoing liaison with Te Arawa Lakes Trust, Rotorua Lakes Council and iwi.

Item 8: Review of StAG – Warwick Murray

Warwick gave a brief update, noting:

- We asked Sarah Omundsen to capture the lessons learned through StAG, especially as stakeholder input hasn't been done like this before. We want to use what Sarah has gathered but are conscious there may be perceptions of an “in-house” bias. Therefore we propose to put the StAG review out to an external reviewer.

Discussion

- Debate about the review timing, given the delay in rules notification and that StAG's term has been extended to try and achieve a consensus.
- It makes more sense to review StAG when its job is completed
- Conversely, one member stated that the StAG process had not worked well, its make-up was flawed and that it had taken a lawyer to get BOPRC to stop rules notification. These views had been conveyed to Sarah and the member wanted this feedback published alongside other feedback on StAG.
- In response, Warwick noted that:
 - The rules delay was for a number of reasons, including B&LNZ's challenge to the sector allocation model, RLC wanting more section 32 analysis, and criticism of the section 32 report by the Collective and Federated Farmers.
 - In light of StAG's continuance, the review is not urgent and we need to use an independent reviewer
 - There isn't a fixed recipe for pre-notification process. Council has agreed to extend consultation and has an open mind on what post-notification stakeholder entity is needed – but it will have a different ToR and shape
 - "NZ Inc." has a broad responsibility with National Policy Statement on Freshwater Management. Other regional councils in similar situations are looking at Rotorua, including stakeholder consultation. For BOPRC, StAG has been valuable.
- Collective members noted that:
 - The StAG process was and remains valid. StAG has enabled a lot of information sharing and the expression of frank opinions. It is a working group, not a "representative" group - it can't be expected to cover all community voices
 - Initially, StAG wasn't looking closely at small blocks, but as the draft rules evolved, StAG's focus broadened and additional small block and deer members were brought on board.
- What do we hope to get out of the review? This will drive the review structure
- For other RMA processes (e.g. water allocation), BOPRC needs to be confident that it looks at every corner of a catchment so we don't miss out on any perspectives.

Item 9: General Business

Don Atkinson noted that progress was being made in the Environment Court mediation on subdivision in rural zones. The mediation is not final, so substantive discussion and recording in StAG minutes is not appropriate.

ACTION: Warren Webber to report back to StAG on status of mediation when appropriate.

Finally, Warwick Murray asked that StAG members keep the next meeting slots in diaries i.e. 15 September and 13 October. Dates, times and agendas are to be confirmed, but will include sector group engagement and some rule detail e.g. how rolling averages will be used.

Meeting Closed: 2:30pm