

Lake Rotorua Catchment Stakeholder Advisory Group

Minutes for 10 November 2015

Rotorua Lakes Council Committee Room, Rotorua. 10:00 am start

Chair: Tanira Kingi

StAG Members Present:

- Collective: Gisele Schweizer, Chris Paterson, Tony Cairns
- Te Arawa landowners: Clinton Hemana
- LWQS: Warren Webber
- TALT: Roku Mihinui (part of the meeting)
- Te Tumu Paeroa: Neville King
- Small Blocks: Graham West, Don Hammond
- BOPRC: Cr Neil Oppatt
- RLC: Cr Karen Hunt
- Deer: Sharon Love

Others Present: Oliver Parsons, Te Taru White, Simon Park, Neville Dow and Hilary Walker

BOPRC Staff: Warwick Murray, Helen Creagh, Stephen Lamb, Hariata Ngatai, Rosemary Cross and Mathilda Hasselman

Action Summary:

1. Mathilda to circulate SBO Report to members.
 2. Helen Creagh to liaise with Collective on getting pNDAs out to their members.
 3. Stephen to circulate a draft Accord outline for member feedback by 27th November.
 4. Simon Park: Send Alistair MacCormick's work on pre-2001 retired land to Neil Heather and Gisele Schweizer.
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Item 1: Karakia, welcome and apologies

Cr Karen Hunt welcomed StAG members and other attendees to the meeting. Te Taru opened proceedings with a karakia. Christina Walker showed a [short clip](#) of her film which is scheduled to play at the Novotel 6.30pm November 22nd

Apologies for absence: Don Atkinson, Ben O'Brien, Colin Maunder, Francis Pauwels, Sandra Barns, Joanna Carr, Chairman Doug Leeder, Gwyn Morgan, Neil Heather, Stuart Morrison and Alison Bentley.

Apologies for lateness: Helen Creagh, Gisele Schweizer, Tanira Kingi

Motion: Apologies approved. Hunt/West CARRIED

Item 2: Minutes of 13 October 2015 Meeting

No issues about the previous minutes were raised by the members present.

Motion: 13 October Minutes approved without amendment. Hunt/Oppatt CARRIED

Item 3: General Business items to add

- Don Hammond requested an update on Council's thinking around the Science Review scheduled for 2017.
 - Warwick Murray briefly noted that Council hasn't made any formal decisions on this yet but are currently endeavouring to answer the key questions around catchment Phosphorus management.
- Tony Cairns asked to give an update on the Land Science Priorities meeting.
- Sharon Love requested a discussion on: the Terms of Reference of StAG; members' personal legal position regarding recommendations by StAG; and alleged conflicts of interest in relation to people supporting the various elements of the rules development process, stakeholder groups and the Incentives Scheme.
 - It was noted by Warwick Murray, Chairman Tanira Kingi and others that there is nothing legally binding from the StAG process, whether from views expressed by individuals or from StAG recommendation. StAG advice is clearly only recommendations to Council and the BOPRC Councillors have the formal say on new rules. The Regional Council is aware of the perceptions but considers that (i) any conflicts have been declared by those involved, (ii) measures are in place to avoid actual conflicts of interest occurring, and (iii) it is confident in the personnel and process.
 - Several StAG members commented that they were present to bring their own personal knowledge and views to the table to achieve the best overall outcome, but they were not representatives in the way Councillors were.
 - Sharon continued to repeat her criticisms of StAG and was reprimanded by the Chairman for her disruptive and non-collaborative behaviour. Sharon said she would not stay unless her concerns were addressed. Sharon left the room before returning later.

Item 4: Draft "opt-in" and "opt-out" approaches to address possible future changes in the science – Stephen Lamb

Stephen gave a presentation covering the draft opt-out and opt-in approaches, in support of his precirculated [report](#). To clarify the terminology:

- Opt-Out: This approach retains the 2032 NDAs and managed reduction targets in the draft rules, but allows for science reviews to trigger policy change.
- Opt-In: This approach only includes the managed N reduction targets to 2022, with a further plan change in 2022 (or other dates) if justified by a science review.

Discussion:

- The idea of "5 year blocks" is based on doing a science review every 5 years, and intermediate 5 year reduction targets, but policy is still based on 2032 targets.
- Major risk of funding withdrawal with Opt-In, both Government and BORPC funds.
- Staff noted that Opt-In may not align with the RPS but this was disputed.
- Several members said there were similar areas of uncertainty for both options and both embraced adaptive management and enabled change
- It was noted that the Opt-Out approach would be more preferable to Council as it would ensure the funding is not put at risk i.e. it is consistent with the Deed.
- Comment that Opt-In would undermine the Incentives Scheme as more landowners would manage with 2022 targets and defer major changes.
- Members indicated broad support for a non-statutory Accord that reinforced the Opt-Out

adaptive management approach – this would add a political and moral commitment to the RMA policy commitment

- If an Accord is to go ahead, it should include a Council commitment to fund research recommendations that come from a Science Review.
- Farmers expressed frustration at the lack of investigations into the effects their farming systems are having on the groundwater now and the past 10-15 years.
- Farmer concern that version 6.2.0 of Overseer had increased NDA impacts (i.e. made it harder) on dairy, and this impact was greater than for the drystock sector.

It was agreed to revisit the Opt-In/Opt-Out debate after lunch and the Small Blocks item. For continuity of the minutes, this discussion follows below:

Views on Opt-In and Opt-Out approaches

Farmers' Collective:

- Need more time to consider both options, with no preferred option at this stage - waiting on advice from Federated Farmers.
- Will take both options back to the membership after receiving Federated Farmers advice and will provide preferred approach before 27th November.

Te Arawa Landowner:

- Would also like more time to consider both options but currently prefer the opt-out approach. The Opt-In approach has the potential to create conflict but we are sympathetic to the Collective's position.

Te Tumu Paeroa:

- Undecided on which approach to take as still waiting on feedback and the work to be done on under/undeveloped Maori blocks
- Once they have a clear idea of what this under/undeveloped Maori land looks like they will have a better idea of which intervention to support.
- Not against the Draft Rules and didn't want to hold up the process. They want to understand effects on Maori under/undeveloped land so they can work with BOPRC.

Small Blocks:

- The SBO position is split but we consider there is not much between the two.
- Important to deal with political and public perceptions

LWQS:

- Opt-Out is preferred approach, even though there is very little between the two.
- Both inject desirable flexibility and adopt the principle of adaptive management.
- Concerns around losing funding if Opt-In approach was to be taken.

Deer Farmers:

- Undecided

RLC:

- Opt-out approach is preferred and sends a consistent political message to the Crown
- Concern that Opt-In would lead to the same conversation in 5 years' time.
- It was a difficult to obtain the \$40 million – this is not something we want to jeopardise.

Action: Stephen to circulate a draft Accord outline for member feedback by 27th November.

- The outline should build on points from 24th September meeting and Science Review draft, covering both content and the process that will feed into an Opt-out approach.

Item 5: Lake Rotorua Incentives Scheme Update – Te Taru White

Te Taru gave an update on the Incentives scheme, covering the following key points:

- Sole task is to achieve an in-lake 100 tonne N reduction within a \$40 million budget.
- Several agreements are in the process with three well advanced – two private and one on multiple-owned Maori land. It is a slow process and has taken about 6 months to get two landowners to signing stage. Both properties have a similar amount of N to sell (around 8 tonnes).
- It is a voluntary process and these landowners have chosen to enter into the Incentives Scheme based on what they think is right for their property.
- Several smaller Maori owned blocks have amalgamated to create scale of interest to Incentives Scheme, in combination with the Gorse Scheme.
- Several Small Block Owners have expressed interest and been referred to LMOs to go through Advice and Support to establish their current state and provisional NDA.

Discussion:

- What is the smallest amount of N the Incentives Scheme would buy?
 - Taru: the smallest amount now being considered is about 700 kgN. The current focus is on bigger properties. Transaction costs for 200 kgN would be similar to a 20 tonne deal.
- Amalgamating small blocks of non-Maori land for a deal would be difficult due to ownership and legal boundaries.
- There needs to be opportunities for small block owners to work with Te Taru – they must not be excluded on the basis of size i.e. need cost-effective options.
- Farmers behaviours are already changing, whether there are statutory rules or not.
- The Incentives Board Terms of Reference are simple – buy N at the least cost.
- The definition of “under-developed land” will require some thinking as forestry blocks may consider their land falls in to this category.
- We are different from the Lake Taupo scheme - they achieved their 170 tonnes N reduction with only 30 deals, many with Tuwharetoa farms over 2000 ha.
- Clarification on Overseer version changes: although the N loss number may change with version updates, the same amount of on-land action will be required to meet the in-lake 100 tonne incentives target.

Item 6a: Small Block Analysis – Simon Park

Simon gave an [overview](#) on the Lake Rotorua Catchment Small Block Analysis. Key points:

- Between 1,389 – 1,484 Small Blocks in the catchment; 13% of rural land
- Maori land is 11% of total Small Blocks area based on the Rule 11 surface water catchment boundary.
- About 3,188 people or 5.7% of the total catchment population live on Small Blocks.
- 70% of people (2,125) living on Small Blocks live on properties <4 ha.
- 4,155 ha of “effective” land area in the Small Block Sector, or 19% of the total catchment effective land area.
- Drystock is the most common Small Block effective land use (90%, 3,755 ha) followed by Dairy Support (6%, 264 ha), although latter probably under-represented.
- Very few small blocks <4ha registered for GST (2%).
- Estimated “current” N loss = 104 tN/yr, ~10% of pastoral total.

- Estimated share of total pastoral N draft rules reductions is 4-6%.

Discussion:

- Possibility of excluding <4ha and the potential to move this to <10ha?
- Issues arise if a property goes from true lifestyle values to a commercial business.

Action: Mathilda to circulate SBO Report to members.

Item 6b: Rules implications of SBO analysis – Stephen Lamb

- Feedback from StAG, drop-in days and general feedback indicated that there should be a size threshold to limit application of rules to smaller properties, noting.
 - 888 properties less than 2 ha (60%)
 - 1045 properties less than 4 ha (70%)
 - 1310 properties less than 10 ha (88%)
- Staff recommend to insert a threshold in the draft rules at 4 ha

Advantages of setting a threshold include:

- Costs of monitoring permitted activities reduced
- Costs of processing and monitoring consents reduced
- Land use advice not required for properties under threshold

Disadvantages of setting a threshold include:

- Risk of un-managed N loss
- Risk of increasing N loss from new/future small and intensive properties
- Sense of inequity for property owners above the threshold
- No application of trading or incentives scheme

Discussion:

- General feedback indicated there should be a threshold <4 ha.
- Need to consider if it would be permitted or excluded (rules do not apply).
- If the threshold increases then it increases the risk of “un-managed N”.
- Members discussed if the 4 ha threshold should be extended up to 10 ha
- Larger properties move closer to a commercial category in terms of land use.
- We need to look at the 300 properties 4-10 ha and see if they will make an impact.
- Very few people <4 ha are doing production farming, but 4-10 ha unclear.
- Collective members said any catchment shortfall from an increased rules threshold should not come back on commercial farmers.

Motion: StAG recommend that

- 1) Under 4 ha be permitted subject to no commercial cultivation, with no stocking rate table or N limit, and;**
- 2) 4-10 ha be considered for similar permitted status, subject to staff report on advantages, disadvantages and costs.**

Schweizer/Hemana. CARRIED

Item 7: Land Use Advice and Support service working party report back

There were 6 key actions that came out of this meeting:

1. Update the Nitrogen Discharge Assessment Report to include more information to landowners who are signing off as lessors of land to be included in a Nitrogen Management

- Plan (NMP). Change the reference to Landowner Declaration in Section 2 of the NMP to Farm Enterprise Operator Declaration.
2. Agreed that a Sustainable Milk Plan (SMP) could be prepared as a NMP under the Advice and Support Service and/or accepted as a NMP as part of a resource consent application, provided SMP content meets rules requirements of the rules (refer Schedule 6) and the supporting Overseer files could be adequately quality assured by the Regional Council. Also, if Advice and Support funds are spent on SMPs they must not exceed the maximums set in contracts.
 3. Ollie to send Helen the final SMP version Dairy NZ would like certified (and meeting draft rule requirements); Helen will reply in writing with certification as appropriate.
 4. Helen to remind her team that if a landowner's Current State Assessment prepared under the Advice and Support Service shows the landowner in breach of their Benchmark, Council is obliged to require the landowner to show a path to compliance. While the first step will be to work with the landowner to achieve compliance, they landowner will be required to comply.
 5. Helen to arrange for an Incentives Scheme update at StAG (i.e. today).
 6. Regional Council to arrange a meeting for Gisele (and other relevant persons), with Council Overseer experts and Fertiliser Companies to discuss Overseer matters.
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Item 8: Project updates, including provisional NDA advice to landowners and \$3.3m low N land use fund – Helen Creagh

Helen provided a brief update on the outcome of her team meeting to discuss issuing NDAs:

- It would be difficult and time consuming to get NDAs out to all landowners, especially due to privacy and pNDA accuracy issues.
- Previous mass mail outs were costly with a large amount of address double ups.
- Proposed alternative would be to do a rural mail drop which sets out to people an offer to get their pNDA, explain what it is and what it would mean for them once they get it.
- When Council is contacted (through email, telephone, in person or online) we will be able to determine actual property boundaries and issue accurate pNDAs.
- This would occur in the New Year.
- Landowners would only need to provide their properties legal description or a valuation reference from their rating bill for verification.

Discussion:

- Is it possible to get pNDAs out to all Collective members as a priority?

Action: Helen's team to liaise with Collective on getting pNDAs out to Collective members.

Item 9: Scoping a potential post StAG entity – Simon Park

It was noted that:

- BOPRC still intends to independently review StAG to help inform any future Rotorua stakeholder group, as well as potential collaborative groups elsewhere in the region
 - Such a group could help monitor the proposed Accord
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Item 10: General Business

Recognition within the allocation scheme for pre-2001 mitigation

- The Collective asked for figures on what is at stake in terms of total area involved and N

quantum, regarding retired bush EP (Environmental Plan) land.

- Simon noted that Alastair had done a preliminary EP area study for StAG in 2013. Otherwise, the “exceptional circumstances” clause in the draft Schedule One can apply on a case-by-case basis.

Action: Simon to send Alastair MacCormick’s EP study to Neil Heather and Gisele Schweizer.

- Tony Cairns provided an update on the Farmers Land Science priorities meeting.
 - It was attended by Alison Bentley, 3 farmers, Tanira Kingi, staff, Simon Park, two Land TAG members and an AgResearch scientist (by phone).
 - A paper tabled by the Collective had 30 questions relating to matters such as soil testing, Overseer and Groundwater. A commitment was made by the Regional Council to answer all of these questions.
 - A farmer would be invited along to the next Land TAG meeting to provide a better understanding of on-farm practicalities.
 - A look into available training programmes for farmers to better understand Overseer – this could be via industry agencies.
 - Science evening to be hosted by BOPRC on the 17th November.

Meeting ended 3.05pm