

## **Draft Minutes for Lake Rotorua Catchment Stakeholders Advisory Group, 3 December 2012**

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**Rotorua District Council – Committee Room 2**

**1061 Haupapa Street, Rotorua, 1:10 p.m. start**

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**Chair:** Stuart Morrison (Collective representative)

**Present:**

- Māori Trustee: Arapeta Tahana
  - Te Arawa Lakes Trust: Hera Smith (left 4:15 pm), Roku Mihinu (1:45 – 3:50 pm)
  - LWQS: Don Atkinson, Warren Webber
  - RDC: Cr Karen Hunt, plus staff: Liam Dagg, Paul Skinner, Mark Rawson, Paulina Wilhelm (left 3:50 pm)
  - Māori landowners: Tina Ngatai (NWTL), Hera Naera (also Collective)
  - Collective reps: Joanna Carr, Tanira Kingi, Wendy Roe, Gisele Schweizer
  - Small block holders: Karl Weaver
  - BoPRC: Cr Neil Oppatt, plus staff: Anna Grayling, Sarah Omundsen, Jenny Clarke (Minutes Secretary), Alastair McCormick (2:15 – 3:40 pm)
  - Others: Todd McClay, local MP, left 1:45 pm; Simon Park, Headway Ltd & StAG secretariat; Lachlan McKenzie, Fed Farmers; Francis Pauwels, Grow Rotorua Ltd.
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### **Item 1: Karakia, Introductions and Administration**

**Apologies:** Roku Mihinui & Mark Rawson for lateness; Colin Maunder.

**Previous minutes** (from 6 November 2012):

Alterations noted: Colin advised that the forestry representative hasn't yet been confirmed

**Discussion on minutes:**

- Noted that TALT has been involved with the preliminary discussions to form StAG.
- It was generally agreed that trustees from TALT, as a major stakeholder, should be present at each meeting.

**General business items:**

- Update on request for monitoring information on groundwater and stream nutrient levels/trends to be covered in "TLI update" by Simon (item 9 below).
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### **Item 2: Confirmation of primary and alternate members**

A summary member slide was shown – points noted:

- Consistency desirable if at all possible –there will be some Collective "rotation"
- BoPRC regional councillor alternates and Forestry rep to be confirmed

- TALT – dedicated trustees to be confirmed – Hera and Roku to attend meanwhile
- Both Tanira and Hera can represent Maori landowner interests as well as Collective

See table amended (post-meeting) below:

Organisation	#	Primary	Alternates
Collective	5	Stuart Morrison, Tanira Kingi & Gisele Schweizer plus 2 others from Collective exec	Robbie Moore, Hera Naera, Murray Scott, Wendy Roe, Jo Carr, Tony Cairns
LWQS	2	Warren Webber, Don Atkinson	John Green, Ian McLean
Maori landowners	2	Arthur Warren, Tina Ngatai	(Hera Naera if not a Collective rep on the day)
Forestry	1	To be advised: Colin Maunder, Kit Richards, Sally Strang	
Maori Trustee	1	Arapeta Tahana	
Small blocks	1	Karl Weaver	Darren Florence
BoPRC Councillor	1	Neil Oppatt	Lyall Thurston, Jim Mansell (Not formalised yet)
RDC Councillor	1	Karen Hunt	Glenys Searancke
TALT	1	Dedicated trustees to be confirmed – meanwhile Roku Mihinui Hera Smith to attend on behalf of TALT	
(total)	15		

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### Item 3: Update on funding

Update given by local MP, Todd McClay on lakes funding. There are exciting challenges ahead, working collaboratively and focussing on cleaning up lake Rotorua; also with view on balance and the role that the rural area has in the local economy. Mr McClay will be meeting with the Minister of Finance (prior to end of the year) regarding re-allocation of funding. Need for discretion noted as no decision yet.

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### Item 4: Finalising Terms of Reference (Stuart Morrison)

The only amendment was replacing “Iwi landowners” with “Maori landowners” in ToR clause 10, and removing “draft”.

**Motion: Terms of Reference endorsed by StAG and recommend to be endorsed by RTALSG on Friday 7 December 2012**

**Moved Don Atkinson / seconded Wendy Roe / CARRIED**

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### Item 5: District Plan update

RDC update given by Liam Dagg on Proposed District Plan session on TDRs, policy framework and other key policies.

Paulina presented “Incentives for lake water quality improvement” [see Appendix 1]:

- Reducing nutrients gives access to TDR (Transferable Development Rights); these will have potential to be sold on the open market.

- Three-year trial on land management change / land use change, followed by a Plan review
- Aim to reduce scattered and rural development

Key dates:

- District Plan submission deadline ~~18 January 2013~~ FYI – subsequently extended by RDC until 1 March 2013.
- Details of TDRs to be developed by June 2013

Submissions are invited on the above; a workshop/forum can be organised to assist with further details. It was advised that a “holding submission” could be put in, giving more time to hold a forum in February/March and put in a more detailed submission.

- Possible Waioira Group submission mooted as StAG can advise but not submit
- Farmers still seeking clarity on dairy areas in SP1 and SP2

<http://www.rdc.govt.nz/our-services/planningservices/Pages/Proposed-District-Plan-Online-Submission-Form.aspx#top>

Warren Webber spoke to the presentation on “Transferable Development Rights (TDRs)”; which gave a background on issues and posed some further discussion questions. [Warren’s presentation is also appended to these minutes].

**Motion: Ask RDC and Warren Webber to arrange a workshop for TDRs early in 2013**

**Moved Hera Naera / seconded Gisele Schweizer / CARRIED**

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**Item 6: Introduction to allocation options** (Sarah Omundsen in Lisa Power’s absence)

Sarah Omundsen gave an overview of allocation options, speaking to the pre-circulated document prepared by Lisa Power and Simon Park. Points noted:

- Need consistent and accurate data on N loss numbers, areas i.e. synchronisation of various databases is needed; or at minimum, published data needs to include error bars or equivalent.
- Much more time needed i.e. dedicated allocation workshop(s) in early 2013

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**Item 7: Rule 11 Benchmarking update** (Alastair McCormick)

- Some of the challenges of ‘grand-parenting’ illustrated, need to maintain and update data over time to account for Overseer version changes, property sales and purchases, leases etc.
- Explained development of BOPRC benchmarking database.

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**Item 8: RPS appeal update** (Sarah Omundsen)

- Limited discussion due to time, noting recent mediation session (21 Nov) and TLI technical discussion between Prof David Hamilton and Dr Tom Stephens from DairyNZ (see item below).

### **Item 9: TLI science update (Simon Park)**

A “lake science questions” meeting was held 16th November attended by David Hamilton, DairyNZ’s Tom Stephens, Collective, Feds, LWQS, and BoPRC staff – points:

- Tom’s analysis of lake data, TLI and P trends, with different takes on the significance of using lake data from the surface 10m Vs full lake depth
- Alum dosing and recent TLI improvements (2010 on) to be modelled by David
- Technical debate continued at the RPS appeal mediation 21 November – result:
  - David & Tom to report by 21 December, circulate to parties and Water Quality Technical Advisory Group Feb 2013
  - Parties advise if further mediation required March 2013
- Reminder that the TAG consensus is still:
  - Both N and P limit algal growth, both must reduce
  - 435 tonnes N target required to meet TLI 4.2 long-term

A major modelling report from David Hamilton going to RTALSG on Friday 7 December

**Consideration of General Business Item:** Request for information (from Robbie Moore and others) on monitoring stream and groundwater data:

Simon Park has discussed this with BOPRC staff who will assess the data and discuss draft results with the Water Quality Technical Advisory Group in February 2012 – then will be made public via standard Council process (may involve Committee report)

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### **Item 10: Farmer Solutions Project (Tanira Kingi)**

Tanira spoke as Chairman of the Lake Rotorua Primary Producers Collective, noting:

- Options analysed for land management mitigation and land use change options
  - BoPRC funded, carried out by Perrin Ag with GIS input from AgResearch
  - Farmers surveyed on what changes they were willing to adopt, and reasons
  - 12 farms modelled with Overseer and Farmax
  - Results extrapolated to give whole of catchment costs and N reductions
  - Report due with BoPRC 14 December
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### **Item 11: Administration - tasks, meeting schedules, resources, allowances**

Finalising early 2013 meetings, key tasks and workshops. Prospective dates will be circulated - **Simon Park to do!**

Monthly meetings on 3<sup>rd</sup> Tuesday suggested plus additional workshops and/or small group developing detail. Secretariat (Simon plus Council staff) prep meetings additional.

Options for initial workshops at RDC [with some detail added post-meeting]:

- Tuesday 29<sup>th</sup> January, **allocation workshop**, 9am-1pm
- Thursday 14<sup>th</sup> February, **TDR workshop**, 1.30-4.30pm

**Meeting finished at 4:30 pm**

## **Appendix 1: Presentation on the Proposed District Plan and transferable development rights**

[Please note – this summary has been adapted from Paulina Wilhelm’s 3 Dec presentation]

### **Proposed District Plan Incentives for lake water quality improvement**

- The Proposed District Plan offers you economic benefits for reducing nutrient discharge in your land

### **Economic benefit from land use change**

- For example: 100 ha farm
  - reduce 500kg N
  - access the right to subdivide your land (8+bonus) TDRs
  - sell the right to someone else at market price

### **Two processes that need fine tuning**

- Inside the PDP (receiving farm)
  - Process for the receiving area - reduce nutrients then you can subdivide to average 4ha; minimum lot area is 2500m<sup>2</sup>
  - trigger is 500kg N minimum reduction
- Outside the PDP (donor farm)
  - How many TDRs in total at any one point in time? 5 or 50?
  - Number of TDRs per farm?
  - First in first serve approach?

### **What is the PDP about?**

- Strategic Framework; Rural; Subdivision

### **Rural chapter**

- Land management change:
  - Animal housing more permissive
  - Encouraging assessment criteria to reduce nutrients
- Land use change:
  - More permissive for golf course, mountain bike park, etc

### **Subdivision chapter**

- Land use change: TDRs

### **PDP planned approach to subdivision**

- SP1 and SP2 areas [see attachment to these minutes]
- 3 years trial period
- Review
- Avoid scattered development throughout the district
- Avoid Western Bay of Plenty failure (ribbon development and low value of TDRs)

### **How can you have a say [note formal PDP submission deadline now 1 March 2013]**

- Support TDRs policy framework in the PDP (yes-no?)
- Is 500 kg the right trigger?

- Should TDRs be capped?
- Should TDRs be available to other catchments?

### Summary

- PDP ultimate goal is to improve water quality in the Rotorua District
- Is seeking to achieve this by providing an incentive to farmers to reduce nutrient discharge into land
- Incentives through economic benefits
  - Land use change (TDRs)
  - Encouraging land management change

## Appendix 2: Transferable Development Rights

Adapted from Warren Webber's presentation on 3 December 2012

### Where to find details in Proposed District Plan:

- Part 9 (Rural) and Part 13 (Subdivision) – particularly the five pages comprising Section 13.10.1.1 - of the proposed plan, contain most of the relevant information.
- In addition Map # 215 (2 maps) show the specific detail of areas affected.

1 x TDR = right to subdivide 1 extra lot in a defined subdivisible zone (SP1)

### District Plan Proposal

- 500kg N minimum to qualify as donor property
- There will be a 'cap' on total quantity of TDRs
- Recipient properties only in SP1
- Donor properties only from SP2

### Number of allowable lots

- Need to clarify potential from 100ha example e.g. 6 x 15ha + 2 TDR lots = 8??

Number of lifestyle lots permitted	Area of original lot (ha)
1	15.25 – 50 ha
2	51-100 ha
3	101-200 ha
4	201-400 ha
5	401 ha plus

- Minimum lot sizes: Minimum size 0.25 ha; minimum average over original lot = 4ha

### Question (slide #1)

- How is the N mitigation validated? If modelling dependent, how will model error be managed?
- What is the sensible TDR quantity cap?
- What size for each TDR? e.g. 100kg, 250kg, 500kg
- What minimum reduction benchmark for eligibility?
- What LMC or LUC is most worthy of extra support? e.g. perhaps only dry-stock conversion to forestry?

**Questions (slide #2)**

- 500kg N minimum eligibility from what base? - current for the property? Or from defined base (e.g. 45kgN for dairy)? Or other?
- Why limit recipient zone to SP1? Does infrastructure support really matter if TDR allocation were discretionary?
- Why should donor properties be limited to SP2?

**Questions (slide #3)**

- How many TDRs should be allocated per donor? Does large land holding imply multiple TDR allocation rights?
- Where are the potential drystock and dairy donor properties located? Need accuracy and alignment of various databases
- Can the same kg of N qualify for other incentives + TDR allocation? TDRs could be allocated in addition to, or instead of, other incentives. What should it be?

**Quantity**

It has been suggested there is a market for ca. 20 lifestyle lots/annum.

Assuming that TDR options are applied to each new lot (perhaps unrealistic?), the extrapolated implication is that 200 TDRs will be applied over 10 years (20 per year). But when can they be earned?

- @ 500kg TDR size → 100t attracts TDR allocation
- @ 250kg TDR size → 50t attracts TDR allocation

**Value 1**

Whether or not there is relevance, a precedent of \$400/kgN was set by the Lake Taupo Protection Trust (LTPT). There is a degree of regard for this as a benchmark.

**Value 2**

It is sobering to consider the effective per kgN value at varying TDR values e.g.

- \$20K/500kg TDR is equivalent to only \$40/kgN
- \$50K/500kg TDR equates to \$100/kgN
- \$100K/500kg TDR would equate to \$200/kgN.

**Value 3**

IF the \$45.5m incentive funding package is averaged out to the implicit single price subsidy of \$227.50/kgN, to reach a combined value of \$400/kgN the TDR component would need to be \$172.50/kgN (\$86,250/TDR)

- @ \$300/kg N - \$227/kgN = \$73/kg TDR N (\$36,500/500kgTDR)
- @ \$250/kgN - \$227/kgN = \$23/kg TDR N (\$11,500/500kgTDR)

**Maybe?**

- 1st stage: enable allocation of TDRs via DP, but retain flexibility for implementation options
- 2nd stage (at next phase of rolling review?) : define more specific rules, which will then be better informed by other incentive options

### Appendix: SP1 and SP2 areas from Proposed Rotorua District Plan

