

Minutes for Lake Rotorua Catchment Stakeholders Advisory Group, 14 February 2013

Rotorua District Council – Committee Room 2

1061 Haupapa Street, Rotorua, 1:30 p.m. start

Chair: Stuart Morrison (Collective representative)

Secretariat: Simon Park

Present:

- **Collective reps:** Joanna Carr, Wendy Roe, Gisele Schweizer, Robbie Moore, Hera Naera
 - **LWQS:** Don Atkinson, Warren Webber
 - **Māori landowners:** Tina Ngatai (NWTL), Arthur Warren
 - **Māori Trustee:** Arapeta Tahana
 - **Small blocks:** Karl Weaver
 - **BoPRC:** Cr Neil Oppatt, Anna Grayling, Sarah Omundsen, Gloria Zamora, Karen Parcell, Russell De Luca (consultant planner), Esta Farquhar
 - **RDC:** Cr Karen Hunt, Liam Dagg, Paul Skinner, Paulina Wilhelm
 - **Others:** Francis Pauwels, Grow Rotorua Ltd.
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Item 1: Karakia by Arapeta Tahana

Introductions and Administration

Apologies: Tanira Kingi, Mark Rawson, Roku Mihinui, Warwick Murray

Previous minutes (from 29 January 2013) no points / alterations raised

General business items to add, as noted by Chair:

- StAG schedule for 2013
- Update on establishing a Land Technical Advisory Group
- Lake communications / website
- Update on Farmer Solutions Project

Don raised “establishing good nutrient practice” as a general business item and noted it could be covered under Land TAG discussion

Item 2: Transferable Development Rights (TDR) workshop

- Introduction & outline of session (Liam Dagg)
 - Noted TDRs will not go live immediately, and need for alignment with future (unknown) Regional Water and Land Plan rules/policies, as well as RPS
- TDR Framework (Paulina Wilhelm) – 5 key issues raised at previous StAG sessions:
 1. Donor area (see SP2 on map)
 2. Threshold for TDRs
 3. TDR supply

4. Recipient area (SP1 on map) Targeted mainly
5. Allocation of TDRs (not focus for today)

Please see Paulina's presentation sent out with these draft minutes

Discussion: Some key points captured on whiteboard were:

1. Consider Māori land in Recipient area
2. Resize of SP1
3. What quantity of TDR's
4. What size for each TDR?
5. What type of change will qualify for TDR
6. From what base should TDR's be allocated? ("good" practice? Current / Rule 11?)
7. Table 13.10.1.1 Land Use Change requirements
8. Bank TDRs
9. Controlled activity
10. Development Contribution Reviewed
11. TDR as a prerequisite for all rural subdivision

Suggestions:

- Extend SP2 to the whole catchment
- Reassess original matrix parameters

Additional discussion points:

- Opposition to the previous matrix was based on the various weightings and the seemingly arbitrary cut-offs, not a the matrix approach itself
- Avoid using "good" or "bad" practice as a criteria due to complexity, variability of systems and associated practices between farms
- Retain TDR donor option for small blocks, including Maori owned land which cannot be subdivided
- Consider monitoring cost – relevant to broader incentive scheme too. This is why Councils place a high value on certainty – trees (not just pines) are easy to monitor
- Debate on likely value of TDRs – typically \$20-25,000 in WBOPDC. This is much less than what 500kgN would be worth @ \$227.50 (based on \$45.5m / 200 tonnes N).
 - Do you change the 500 kgN threshold, or see TDRs as complementing the wider incentive scheme [Simon notes: latter point from subsequent emails]
- Will the suggested 20 TDR per year limit (and 100 over 5 years) effectively protect TDR value?
 - Debate on supply and demand – is there a risk of an "excessive" number of TDRs being created and depressing value, or would demand (strong or weak) drive supply and value?
 - Clarification on how a bank or register would work, possibly: a donor commits to a 500kgN reduction (or more) and receives TDR(s) which are registered in a bank; money changes hands if/when a TDR recipient agrees a price with donor. Don

illustrated this with a flow chart, noting the ability to separate TDR generation and use will increase usability i.e. otherwise both parties need to commit at the same time which is difficult financially and practically.

- Attraction of early gains through a TDR scheme
 - Development contributions on new lots created with a TDR are a separate issue / separate forum
 - SP1 recipient area – discussion:
 - Is there scope to expand this – as a restricted discretionary activity, the new lot still needs to meet other District Plan objectives i.e. services, amenity
 - Primary trigger for TDR process is a developer wanting one i.e. someone within SP1 who will go shopping for TDR(s)
 - Debate on controlled Vs restricted discretionary activity status. “Controlled” is more attractive to developers and would boost uptake
 - Option of two TDR schemes
 - Simple: 500kgN via forestry, controlled
 - Matrix weighting of multiple factors, restricted discretionary
 - LWQS using Brett Farquhar to prepare detailed TDR submission
 - **FINAL POINT:** StAG cannot make a submission itself but members are welcome to draw on the discussion and make their own. Remember to submit on positive aspects as well!
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Item 3: Draft Nutrient Allocation Principles and Guidelines (Sarah Omundsen)

(attached to minutes, 29 January 2013)

Discussion:

- These were based on StAG discussion on 29 January and intended as a basis for further discussion. They are additional to RPS allocation principles which are arguably too numerous and broad to give direction on a specific allocation scheme
 - Need to define terms e.g. what is “investment” e.g. equity, capital?
 - What owners have added to the natural resource, including increased fertility, infrastructure etc
 - Opposition to 4th and 5th bullets i.e. consider modifying or deleting:
 - *Practices that cause high nitrogen loss, relative to sector norms, will not be rewarded*
 - *Some favourable weighting will be given for land that is naturally less prone to nitrogen losses*
 - Main reason for deleting: a sector average/limit allocation would already restrict those with higher current losses, and/or those with more leaky land, who will find it more challenging to meet a sector limit i.e. there is no need to further “penalise” those farmers via a “leakiness” weighting in the allocation scheme.
 - **Action:** Gisele to email members with alternate wording for 4th bullet point
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Item 5: RPS update

- Chairman noted the “Oturoa Agreement” was due to be signed 18 Feb [see <http://www.boprc.govt.nz/news-centre/media-releases/february-2013/farmers-agree-on-20-year-timeframe-to-restore-lake-rotorua/>]
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Item 6, Gen. Business: Lakes Programme & Comms Strategy Update (Sarah Omundsen)

- Lakes Programme will have its own website
 - New branding
 - ALL things lake will be on there
 - Seeking approval at RTALSG 22 Feb
 - Street Survey - many believe water quality problems caused by rubbish / litter
 - Scope to include StAG content, but arranged by on the website by topic, no names of members in public
 - Request for secure online access for minutes, possibly via separate Google docs set up (with password access). Plus old fashioned hard-copy!
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Item 7, Gen. Business: StAG meeting dates, topics

- StAG meeting dates for 2013 pre-circulated
 - 3rd Wednesday dates not good for Māori landowners – seek alternates
 - Topics: secretariat to canvass these via email, for discussion at next StAG
 - Next StAG 19 March, 9am-12pm; Suzie Greenhalgh, Landcare Research, on allocation
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Item 8, Gen. Business: Update on establishing a Land Technical Advisory Group

- Following up on the 29 Jan StAG resolution, Stuart and Simon are seeking support from RTALSG on 22 Feb – see Stuart’s paper within the RTALSG agenda <http://www.boprc.govt.nz/council/committees-and-meetings/rotorua-te-arawa-lakes-strategy-group/>
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Item 9, Gen. Business: Update on Farmer Solutions Project

- Simon noted a feedback workshop with the 12 participant farmers will be held 27 Feb, with a feedback report going to them and BoPRC who funded the project
- BoPRC management (Greg Corbett) OK with release of the FSP report via StAG with a formal Council committee route not necessary

Meeting finished at 4:30 pm

Attachment (via email): Paulina Wilhelm’s TDR presentation

Appendix to these minutes: draft summary of key TDR points (prepared by Simon Park)

Draft summary of key TDR points

Based on StAG TDR workshop held 14 February 2013

Some consensus around:

1. Support to expand SP2 donor area to catchment
2. Keep TDR eligibility criteria "simple" and even-handed
3. Limit TDR eligibility to land use change

Some requests to:

4. Read the Proposed District Plan (PDP) before submitting – some TDR elements are there (e.g. 500 kgN reduction threshold relative to approved nutrient benchmark; land use change basis; RDA status) – other elements are not within the PDP (e.g. cap of 20 TDR per year)
5. Consider Maori land in SP1 and constraint on subdivision

Disparate* views and debate on:

6. 500kgN threshold? Or some lower/higher value?
7. How will TDRs be valued, and/or will it be worthwhile for donors? If the market determines value, how will donors make decisions given market uncertainty?
8. Is a restriction/prohibition on other rural subdivision "rights" needed to help drive TDR demand? Are those other subdivision "expectations" similar to "rights"? They may be reflected in property value but are subject to an application process which may be declined.
9. Is it necessary to have an annual cap of 20 TDRs, and 5 year cap of 100 TDRs to maintain value, or will market supply and demand set a workable value regardless?
10. How many TDRs per farmer? Do we allow them to transfer one or two bonus lots or the total amount that they have a right to?
11. Who gets the TDRs first? First in first serve approach? (important if limited to 20 TDRs per year). Is it fair if only one or two farmers gets the annual limit of 20?
12. Is the proposed parallel approach best i.e. need both TDR donor and recipient acting together? Or is a more flexible bank/register better?
13. While a TDR bank or register seems more flexible, how would it actually work?
14. Consider a two-tiered TDR scheme:
 - a. Simple: 500kgN based on forestry, SP1, controlled activity (must be granted)
 - b. Matrix weighting of multiple factors, restricted discretionary (may be granted)
15. Should reductions be measured from the Rule 11 benchmark (which exists now) or some other level, like "good nutrient practice" levels which have not been defined?
16. What is the relationship of the TDR scheme to any wider incentive package, noting Government decisions are still pending on the funding available. The nature of the relationship will affect expectations of total N reductions from the TDR scheme.

*While listed as "disparate" views, some of these could gain consensus support via more debate.

Submissions of the Proposed District Plan

These points can be used or modified in any submission on the Proposed District Plan. StAG itself cannot submit. Submissions close on 5pm 1 March and the online form is here:

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