

Minutes Lake Rotorua Catchment Stakeholder Advisory Group

Meeting #6

16 April 2013

Rotorua Convention Centre – East Wing room

Chair: Stuart Morrison (also Collective representative)

Present:

- Te Arawa Lakes Trust: Terry Tapsell
- LWQS: Don Atkinson, Warren Webber
- RDC: Councillor Glenys Searancke, Annabel Vidal
- Māori landowners: Hera Naera (also Collective)
- Collective reps: Joanna Carr, Wendy Roe, Murray Scott, Tanira Kingi
- Small block holders: Karl Weaver
- BOPRC: Councillor Neil Oppatt, plus staff: Anna Grayling, Sarah Omundsen, Lisa Power, Alastair MacCormick, Karen Parcell
- Others: Lee Matheson (Perrin Ag), Simon Park, (StAG secretariat)

Item 1: Karakia (Tanira), Introductions

Item 2: Apologies, previous minutes

Apologies: Arthur Warren, Cr Karen Hunt, Tina Ngatai, Gisele Schweizer, Arapeta Tahana, Paul Skinner, Mark Rawson, Liam Dagg, Warwick Murray

Previous minutes (from 19 March 2013)

Minor clarification: The reference in 5(c) that “Lifestyle blocks – lumped in with drystock for modelling purposes” actually refers to past ROTAN N loss modelling where it was done for simplicity and that future modelling may separate out lifestyle.

Matters arising from minutes:

- “Lifestyle blocks” usage – we need an agreed definition, although that may depend on the context i.e. allocation, regulation or incentive eligibility.
- Advise on follow up on Actions 1, 2 and 3 (see the end of these minutes)
- Compile such actions into a table at the end of the minutes, linked to StAG’s main work schedule, with action/schedule progress reporting as a standard agenda item

Motion: Accept minutes as accurate: Moved Don Atkinson / seconded Hera Naera / CARRIED

Item 3: General business items to add

Two items that were not addressed at the 19 March meeting, plus a new one:

- a. StAG critical tasks
- b. Common agreement around land use areas and N-loss rates
- c. Seek endorsement from StAG for a smaller group to progress work between meetings

Item 4: Farmer Solutions Project (Lee Matheson) (note 4 & 5 order swapped)

Lee presented the methodology and results from the BOPRC funded Farmer Solutions Project (FSP). A text version of Lee's presentation is appended to these minutes. Some Q&A points were:

- Although most farmers in the FSP survey gave forestry a nil preference ("no capacity for adoption"), there were some who would adopt partial forestry land use change (albeit at a low preference level), provided \$ constraints were met
- The forestry right provision for annual rental payments to the landowner is important as it provides annual cashflow for farmers that reduce or exit pastoral farming
- Scion advice was that we should consider more sophisticated forestry options, including different species, silviculture regimes and financing structures. A single conventional pine model was used in FSP due to time and budget limits
- Large scale new forestry would need to address issues beyond FSP's scope i.e. phasing, landscape, species, land/block aggregation

The FSP reports (main report, farmer feedback and supplementary report) should be read together and will be posted to http://www.rotorualakes.co.nz/stakeholder_advisory_group

Item 4a: Rotorua Incentives – Draft principles for discussion (Anna Grayling)

There was broad agreement with the principles presented by Anna, being:

1. Value for money
2. Outcome focused
3. Innovative
4. Transparency and probity (meaning above reproach)
5. Equity and fairness

Anna's presentation expands on these principles and is appended to the minutes. Points discussed:

- The FSP estimated \$88.1m cost is a farm gate cost – remember there will be additional flow on effects/costs to the wider economy, including vets, rural supplies and services, fertiliser sales, schools etc
- Consider wider non-financial effects from more (double?) forestry e.g. pine pollen increase
- BOPRC keen to look at other species and alternatives
- BOPRC costs not limited to funding incentives either – the ongoing staff cost is additional
- Consider "farming people" i.e. expand thinking beyond conventional animals and trees
- Is phosphorus targeted? BOPRC: Yes, but outside this "rules and incentives" package

A discussion of "What StAG needs to know to advise on incentives" then covered:

1. Definitions needed for lifestyle and dairy support – relevant factors:
 - a. Eligibility for \$
 - b. Consider compliance costs of running Overseer regularly
 - c. Do we use Rotorua District Plan's 0.4-15 hectare threshold
 - d. Note some "lifestyle" blocks are used intensively (e.g. leased as milking platform or runoff) and some little or no stock (mowed grass)
2. How will definitions be used e.g. to exclude from incentives?
 - a. Lifestyle blocks were initially subdivided as "non-economic unit" under District Plan rules even though use may have changed, and farming or lease income is important to the current owner

- b. Small size may still mean any reductions from lifestyle blocks may still be below an incentive threshold
3. Consider links to rules and allocation e.g. rules may define a [permitted?] low N use (say 10kgN/ha/y) to simplify matters – but what proof of that would be required?
4. Suggestion to model (Overseer + Farmax) all dairy farmers (about 20) plus about 20 drystock farmers (accounting for about 70% of total drystock area)
 - a. Who pays? Can DairyNZ help? It costs \$3,500 - \$4,000 per farm
 - b. This is so we can answer “what if” questions with 2012 data
5. IF we have reconfiguration, whose responsibility is this?
 - a. BOPRC can provide info – how should it do that?
 - b. Need to clarify roles
6. Need more specific information, including deer, horticulture, types of sheep and beef (dairy less so)
7. What is the process / framework that will be used going forward – including:
 - a. Starting point for incentives? Rule 11 Vs industry-defined best practice Vs individual farm best practice?
 - b. Clarify definition of incentive basis – is it just \$X per kg N, or modified by various weighting factors?
 - c. Need to define criteria and eligibility

Item 5: BOPRC’s Rule 11 catchment database (Alastair MacCormick)

Alastair’s presentation titled “**Discharges and Block Types**” covered the following:

- How OVERSEER groups land use by block
- OVERSEER block types
- BOPRC additional block types
- Rotorua discharges by block type

The presentation is appended to these minutes (without the maps in order to maintain privacy)

Discussion points:

- Great to see this level of data detail, sector splits, average N loss rates etc
- Deer not separated out but it could be
- Gorse area, usually included within “bush and scrub”, or pastoral area reflecting its Rule 11 treatment
- Total benchmarked area includes parts of farms outside the (surface) catchment boundary
 - Database team working on adjusting for this
- Almost all N loss data based on Overseer Version 5 (5.4.3 to 5.4.11)
- Version 6 will increase N loss, variable between farms/soils, by 10-50%
 - Each OVERSEER version is more scientifically robust
 - This does not change the amount of N entering Lake Rotorua – perhaps the amount of N attenuation (after N leaves the farm / root zone) is greater than is assumed now

Item 5a: Update on Maori land use data (Sarah)

A map was shown based on Greg Corbett’s 2009 report to Land Use Futures Board, with an estimated 18% of the catchment Maori-owned. Several StAG members identified gaps in the map

(e.g. major Maori incorporation land) and BOPRC staff agreed to liaise with Hera Naera to improve the estimate and associated land use and LUC breakdown for Maori land.

Item 6: Update on accessing land science and economics expertise (Simon Park)

Several StAG members and staff discussed this on 19 March and 11 April and it is a work in progress – an update will be given to the next StAG.

Item 6a: Stream and groundwater trend analysis update (Simon Park)

BOPRC scientist Paul Scholes has completed a draft report which is subject to internal and external review (latter Prof David Hamilton's team). This may need to go via BOPRC's formal Committee process for public release – process yet to be confirmed.

Item 7: Update on StAG work planning

Stuart and Simon explained that a small group of StAG members and staff had met twice recently to progress StAG work planning and accessing science expertise (as per item 6 above). This group was similar to that which met last year to develop StAG's Terms of Reference and comprises: Stuart Morrison, Tanira Kingi, Warren Webber, Anna Grayling, Sarah Omundsen, Hera Smith, Liam Dagg and Simon Park i.e. it includes staff reps from each of the three Strategy Group partners.

This group needed to be formalised by resolution, and it was noted that it needed to be transparent and minutes provided to the full StAG.

Motion: That a subcommittee of StAG be convened to meet between full StAG meetings, that it operates and reports transparently to StAG, with a purpose of progressing StAG's work schedule

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

Item 7a: Updates on StAG work planning and communications (Chairman)

Stuart's StAG Chairman's progress report to Rotorua Te Arawa Lakes Strategy Group 19 April meeting is appended to these minutes. The full agenda is at <http://www.BOPRC.govt.nz/media/276256/rotorua-te-arawa-lakes-strategy-group-agenda-friday-19-april-2013.pdf>

Item 7b: Proposed TDR workshop (Don Atkinson)

Don noted LWQS planning has progressed with speakers and a date set for 4 July. LWQS want to see more substance around TDR policy and to lift it from a small component (within overall nutrient reduction policy) to a more substantial scheme with a value around \$20m.

StAG is supportive of this workshop but acknowledges it is driven by LWQS.

Item 7c: Steps to formulate initial StAG allocation advice by 30 June (Sarah)

Sarah outlined **allocation** advice development steps based on scheduled StAG meeting dates:

- 16 April – clarify sector averages (done via Alastair's presentation)
- 13 May – consider Motu modelling results (note ambitious timeframe – delay possible)
- 18 June – Draft StAG advice
- 16 July – Finalise StAG advice
- 19 July – Advice received by Council

To achieve this, additional meetings (2) may be needed between: 13 May & 18 June; 18 June & 16 July. While the subcommittee may assist, this important advice must be considered by the full StAG.

General business items

These were effectively addressed in the items above, so no further discussion was needed.

Meeting finished at 12:15 pm

Note the next meeting is 13 May, 1-4pm at RDC's Committee Room 2

Appendices to these minutes:

1. StAG actions list
2. Lee Matheson's presentation text
3. Anna Grayling's presentation text
4. Alastair's presentation text
5. Stuart Morrison's Chairman report to Rotorua Te Arawa Lakes Strategy Group
6. LWQS's draft agenda for TDR workshop scheduled for 4 July 2013

The Farmer Solutions Project reports upload to the lakes website is still progressing.

Appendix 1: StAG Actions List

What	Initiated when, by who	Who is responsible (S Park coordinates)	Due	Progress status
1. Report on stream and groundwater N & P trends	6 Nov 2012 by Robbie Moore	BOPRC scientists	Feb/March 13 May	<ul style="list-style-type: none"> 16 April: draft report being peer reviewed, probably subject to formal BOPRC committee process prior to release Update for 13 May StAG
2. Accessing land science and economics expertise	29 Jan by StAG resolution	Subcommittee	Feb-March April 13 May	<ul style="list-style-type: none"> 18 Feb: Land TAG concept and draft ToR supported by RTALSG Literature “mapping” review started Feb by Sarah’s staff, ongoing Subcom discussed options 19 March, 11 & 16 April, noting need for BOPRC staff to contract expertise as required in short term Structured proposal due 13 May – Simon to draft
3. Clarification on Maori land area, use and LUC	19 March By Tina Ngatai	Sarah Omundsen help from Arapeta Tahana and Tina Ngatai	16 April☺ 13 May for update	<ul style="list-style-type: none"> March: Sarah sent Greg Corbett’s 2009 report/map to Arapeta 16 April: map coverage gaps identified – Hera to assist Sarah
4. Catchment allocation – circulate summary of hybrid model and input required	19 March By Tanira Kingi	Sarah Omundsen	16 April	<ul style="list-style-type: none"> Focus changed as Motu now doing modelling Status – progress report, perhaps interim results due 13 May
5. Prepare and circulate paper on apportioning funding as a proposal to MfE	19 March	Anna Grayling	16 April	<ul style="list-style-type: none"> Linked to 19 March StAG motion to support market based scheme Status?
6. TDR workshop	19 March By LWQS	Warren Webber Don Atkinson	4 July	<ul style="list-style-type: none"> Draft attached to these minutes FYI StAG members to respond to Warren / Don
7. StAG work schedule	19 March	Sarah Omundsen and Simon Park	13 May	<ul style="list-style-type: none"> Subcommittee discussed briefly

Appendix 2: Lee Matheson's presentation

Farmer Solutions Project

- Presentation to the Steering Action Group, Perrin Ag Consultants Ltd, April 2013

Outcomes sought

1. Identify the preferences of farmers as regards mitigation activity and likely constraints to adoption.
2. Identify potential efficacy of a range of mitigation strategies.
3. Identify the farm-gate economic impact of adoption at an individual and catchment scale.

Methodology

1. Interview farmers to gauge preferences and constraints
2. Model existing farm systems and then model appropriate change based on interviews
3. Analyse economic outcomes
4. Extrapolate to catchment based on GIS allocation

Limitations of study

1. Small sample size – half of all dairy farmers, but only three sheep & beef farmers; not balanced for land type and catchment distribution.
2. "Lifestyle" and deer farmers not included in sample;
3. Sample bias associated with voluntary participation.
4. Insufficient resourcing to optimise "solutions".
5. Profit-based valuation methodology used.

Farmer preference survey

1. Land management mitigations the preferred farmer option.
2. Partial land use change preferred over total land use change.
3. Majority of surveyed land owners had little appetite for complete land use change to forestry;
4. Financial constraints the major obstacle to adoption of new mitigation in 75% of responses;
5. Market compensation identified as major way to facilitate adoption.

How much change is possible?

1. The extent of on-farm changes that the surveyed farmers might be prepared to make, subject to primarily financial obstacles being overcome, was substantial – reductions of 62.3t N/year were modelled from the 12 participants.
2. Extrapolated to the catchment, annual savings of 293.2t N were estimated from the dairy and sheep & beef sectors.

Maps showing "Current N loss" and N loss post management change (omitted from StAG minutes)

Economics of change

1. Land management changes had a high degree of efficacy in sample group – achieved 50% of N reduction for 20% of “farm-gate” cost, but individual results vary widely.
2. Conversion of sheep & beef land to forestry also has high degree of efficacy, but this may be lower when the hidden cost of losses in capital value are taken into account.
3. Converting dairy to sheep & beef the most costly approach to reducing N losses due to inherent differences in profitability/kg N leached.
4. “Farm-gate” cost for dairy and sheep & beef mitigation when extrapolated to whole catchment was \$88.1 million.
5. Impact of balance sheet loss to sheep & beef sector estimated at a further \$34.7 million.
6. Optimising individual mitigation strategies could be expected to reduce the economic impacts.

Key messages

1. Surveyed farmers had a high degree of capacity for adoption, but this is tempered by their concern around the financial impact on their businesses.
2. Individual operations have a high degree of variance in the cost and efficacy of mitigation strategies.
3. The magnitude of the “cost” of change is significant.
4. A combination of land management and strategic afforestation appear to be the best way to minimise cost of achieving N loss reduction targets.

Appendix 3: Anna Grayling's presentation

Rotorua Incentives - Draft principles for discussion

Principle 1: Value for Money

- 🔹 Prioritise projects with best rate of return
- 🔹 Co-fund LUC which LO would not otherwise undertake
- 🔹 Reduce admin and management costs
- 🔹 Drive efficiencies through JV, PPP and other cost share options

(truncated excerpt from Table 10, Farmer Solutions Project, Perrin Ag)

Table 10: Individual efficacy and cost of nitrogen mitigations for the Lake Rotorua catchment

Mitigation	Average reduction in whole farm N losses	"Cost"	Comment
Conversion from dairy to drystock	61%	-\$966	This assumes a shift in land use from the average dairy scenario to the average sheep & beef scenario.
Complete land use change to forestry from drystock	81%	-\$143	Use of NPV-based annuity of \$315/ha for forestry implies that afforestation actually increase profitability. Gap between profit analysis & market price derived from land values
Complete land use change to forestry from dairy	93%	-\$688	The "cost" not dissimilar to the market gap between dairy and forestry/land values based on the average N loss figures used. The property market implies a value of \$575/kg N



Principle 2: Outcome focused

- 🔹 Only fund actions which make measurable contributions to catchment target.
- 🔹 Recipients responsible for agreed level of performance (good practice)
- 🔹 Recipients monitor nutrient loss carefully and take ownership
- 🔹 Adaptive/flexible to modify the programme and incorporate new data or ideas
- 🔹 Prioritise change where use doesn't match capability
- 🔹 Consider future vision of catchment
- 🔹 Triple bottom line

Principle 3: Innovative

- 🔹 Recognise need for land owner aid from investors, business/science advisors and entrepreneurs to understand all options.
- 🔹 Maximum flexibility around how to achieve lower nutrient loss

Principle 4: Transparency & Probity

- 🔹 Avoid perceptions of conflict of interest through appropriate structure, approval criteria and SOP
- 🔹 Open flow of information from programme to people
- 🔹 Complete and confirmed integrity delivered through regular audits and reviews.

Principle 5 : Equity and Fairness

- Consider existing investment
- Minimise immediate impact of allocation
- Heterogeneous not homogenous - not uniform in composition and character
- Regard constraints imposed on Māori land
- Consider incentives collectively not in isolation

What do we need

- Broadly what are the alternative uses and what are the returns? Who should investigate?
- What are the risks private and public and how to we manage them?
- How do we weight relative criteria
- What is the future vision for the catchment

What is missing?

Over to you?

Appendix 4: Alastair MacCormick's presentation 16 April 2013

Discharges and Block Types, STAG April 2013

What I will cover

- How OVERSEER groups land use by block
- OVERSEER block types
- BOPRC additional block types
- Rotorua discharges by block type

Map showing block setup (omitted from StAG minutes)

(Rule 11 database screen shot)

Block name	Type	Effective area (ha) ?		
Deer	Pastoral	44.9		
Crop - deer	Fodder Crop	-		
High production	Pastoral	45.2		
Crop - high production	Fodder Crop	-		
Medium production	Pastoral	32.2		
Crop - medium production	Fodder Crop	-		
Low production	Pastoral	112.3		
Sheep only	Pastoral	24.4		
Trees	Trees and Scrub	30.1		
Houses	House	1.3		
Lease 1	Pastoral	24.7		
Lease 2	Pastoral	11.6		
Crop - low production	Fodder Crop	-		

Select block type and add		Total farm area	0.0 ha ?
Pastoral	<input type="button" value="Add"/>	Total area declared as blocks	326.7 ha ?
Pastoral		Non-productive area	0.0 ha
Fodder Crop		(includes lanes, races and yards)	
Cut and Carry			
Fruit Crop			
Crop			
Trees and Scrub			
Riparian	<input type="button" value="Continue"/>		
Wetland	<input type="button" value="Continue"/>		
House	<input type="button" value="Reload"/>		

Map showing old block names and new block categories (omitted from StAG minutes)

Block types

OVERSEER block types	BOPRC block types
Pastoral	Pastoral (Dairy) Pastoral (Dairy support) Pastoral (Drystock)
Fodder crop	Fodder (Dairy) Fodder (Dairy support) Fodder (Drystock)
Cut and carry	Cut and carry
Fruit crop	Fruit crop
Crop	Crop
Trees and scrub	Trees (Bush and scrub) Trees (Forestry)
Riparian	Riparian
Wetland	Wetland
House	House

Map of R11 area, dairy areas, dairy support, drystock, forestry etc (omitted from StAG minutes)
 Map showing all and remaining area to be benchmarked (omitted from StAG minutes)

Catchment	Block Type	NDA (kg/yr)	PDA (kg/yr)	Overseer Area (ha)	Average NDA (kg/ha/yr)	Average PDA (kg/ha/yr)
Lake Rotorua	Crop	2,547.35	56.59	63.4	40.2	0.9
	Cut and Carry	2,208.24	38.6	172.32	12.8	0.2
	Fodder (Dairy Support)	9,315.08	132.37	96.367	96.7	1.4
	Fodder (Dairy)	27,296.02	22.46	249.707	109.3	0.1
	Fodder (Dry Stock)	17,235.83	0.65	168.387	102.4	0.0
	Fruit Crop	24.96	2.22	2.18	11.4	1.0
	House	4,603.03	17.11	81.91	56.2	0.2
	Non-productive	0.	0.	135.8	0.0	0.0
	Pastoral (Dairy Support)	48,274.05	4,192.52	2,100.043	23.0	2.0
	Pastoral (Dairy)	182,344.13	13,166.69	3,978.19	45.8	3.3
	Pastoral (Dry Stock)	100,496.35	18,175.56	8,377.247	12.0	2.2
	Pastoral (Effluent)	26,217.38	1,239.49	508.043	51.6	2.4
	Riparian	1,260.75	0.13	409.45	3.1	0.0
	Trees (Bush and Scrub)	26,492.14	1,041.12	8,776.617	3.0	0.1
	Trees (Forestry)	18,346.83	755.02	7,116.41	2.6	0.1
	Uncategorised	0.	0.	302.7	0.0	0.0
	Total		466,662.14	38,840.53	32,538.77	14.3

Dairy	49.8
Drystock	13.8
Dairy support	26.2
Dairy support plus drystock	16.3



Appendix 5: Stuart Morrison's Chairman Report to Rotorua Te Arawa Lakes Strategy Group

Report to: Rotorua Te Arawa Lakes Strategy Group

Meeting Date: 19 April 2013

Report From: Chairman Stuart Morrison and Secretariat Simon Park

Lake Rotorua Catchment Stakeholder Advisory Group – An Update

Executive Summary

Since reporting to your February meeting, the Lake Rotorua Catchment Stakeholder Advisory Group (StAG) has had its 5th and 6th meetings: 19 March and 16 April 2013. Progress has been made on identifying broad nitrogen allocation principles within the RPS-defined annual sustainable load limit of 435 tonnes. StAG indicated an initial preference for hybrid allocation options that feature sector-based limits, modified by historic nitrogen loss (grandparenting) and possibly other factors.

StAG discussed nitrogen reduction incentives and supports “a publicly funded incentives scheme which is open and transparent and which drives competition and market efficiencies”.

There is an ongoing challenge for StAG to access and interact with land science and economics expertise in a way that supports its mandate to advice on “allocation and rules”, while also recognising urgent advice milestones, resourcing constraints and efficient use of current knowledge.

StAG supported in principle the Transferable Development Rights mechanism in the proposed District Plan. More policy and operational detail is needed and LWQS propose a June/July workshop.

Recommendation:

1. That Rotorua Te Arawa Lakes Strategy Group receives the report.

Background

The Lake Rotorua Catchment Stakeholder Advisory Group (StAG) was established following a public forum in August 2012 and subsequent consideration by Strategy Group and BOPRC. The StAG Terms of Reference were endorsed by RTALSG in December 2012, with a primary purpose:

To provide oversight, advice and recommendations on “rules and incentives” options that will achieve the nutrient reduction targets needed from rural land in order to meet Lake Rotorua’s water quality target. This shall include advice on implementation options and District and Regional statutory plan changes.

The full StAG meets monthly and is supported by a smaller group (Chair, Deputy, BOPRC/RDC/TALT staff, LWQS rep, secretariat) which convenes between the main meetings to progress draft advice.

Transferable Development Rights (TDRs) in the Proposed District Plan

TDRs were the core subject of StAG’s meeting on 14 February where broad stakeholder support for TDRs was apparent. StAG has a preference that TDRs could be generated anywhere in the catchment, not just the defined “SP2” area. Beyond those points, there were diverse stakeholder views on: should TDR donor (N reduction) and recipient (subdivision) processes be linked i.e. was a bank/register needed; the N quantum, \$ value and supply/demand for TDRs over time; the need for an annual cap to enhance TDR value; the likely net contribution to nitrogen reduction targets; eligibility for reductions from land management changes; restrictions on other rural subdivision to boost TDR demand; scope for operational rules outside the District Plan. Although StAG’s Terms of Reference preclude it from making formal submissions, several members did make District Plan submissions. Lakes Water Quality Society is promoting a possible June or July TDR workshop to progress the design and implementation of a possible TDR scheme.

Nitrogen Allocation

StAG identified broad nitrogen allocation principles at its 29 January meeting. On 19 March, StAG had an interactive session with BOPRC staff and Dr Suzie Greenhalgh on the pros and cons of different allocation mechanisms. StAG indicated a preference that hybrid allocation options be further developed with an emphasis on sector-specific limits, modified by historic nitrogen loss (grandparenting) and possibly other factors e.g. soil “leakiness”, efficiency. There was no formal StAG resolution on this hybrid approach and the following caveats should be recognised:

- Further analysis of hybrid options is underway by BOPRC staff with catchment modelling of land use changes and economic impacts by Dr Greenhalgh. This work will support more

specific StAG advice i.e. allocation advice will be an iterative process of considering information and refining preferred options.

- Better information is needed on Maori land use and BOPRC GIS analysis is underway.
- Forestry interests and views on allocation have not been heard recently at StAG
- The complexity of a theoretically more efficient or equitable hybrid approach needs to be weighed against simpler approaches that are easier to understand and defend.

StAG needs to form its initial nitrogen allocation advice by 30 June to meet BOPRC's policy schedule.

Nitrogen Reduction Incentives

StAG had its first incentives discussion on 19 March and resolved to support "a publicly funded incentives scheme which is open and transparent and which drives competition and market efficiencies". BOPRC staff will prepare a paper on apportioning funding to meet MfE requirements. We expect to make further progress on incentives at our 16 April meeting (which post-dates the drafting of this report) with a presentation on the Farmer Solutions Project by Lee Matheson.

Accessing Land Science and Economics Expertise

There is support from StAG (29 January), the Oturoa Agreement (18 February) and Strategy Group (22 February) for the re-establishment of a Land Technical Advisory Group, in order to better inform StAG's advisory function. There are ongoing discussions on the relevant science questions and how to efficiently structure and resource such a technical group, taking into account: stakeholder needs; advice milestones and the need to be nimble; affordability; transparency; access to and use of current knowledge; and integration with BOPRC's formal s32 obligations. In the short term, StAG will rely on expert advice commissioned by BOPRC on an "as required" basis e.g. Dr Greenhalgh.

Administration

Dr Tanira Kingi was elected as StAG deputy Chairman on 19 March. StAG is developing a work programme for the remainder of 2013 to align with key advice milestones. To support this, a smaller group (Chair, deputy, BOPRC/RDC/TALT staff, secretariat) will convene between StAG meetings. We are considering what StAG material (agendas, minutes, presentations) can be posted to the new lakes website.

Regards

Stuart Morrison, Chairman of the Stakeholder Advisory Group

Simon Park, Secretariat for the Stakeholder Advisory Group

Report dated 9 April 2013

Appendix 6: LWQS's draft agenda for TDR workshop scheduled for 4 July 2013

How can the District Plan help water quality in Lake Rotorua? - Transferable Development Rights (TDRs)		
Thursday 4 July 2013		
Target Audience		
	District & Regional Councillors; Land owners; Fed Farmers; IWI; StAG members; LWQS members: Real estate community	
		Possible Presenter
9.00-9.05	Welcome	John Green
9.05- 9.15	The day ahead	Warren Webber
	Why we are having this mini symposium	
	Objectives for the day	
	What is a TDR	
	Shape of the programme	
9.15-9.30	The Collaborative Process - the new paradigm	
	Working together - the Land & Water Forum; Waiora Agreement; Oturoa Agreement	
	Why are incentives important in the Lake Rotorua catchment?	
	The requirement for the DP to be consistent with the RPS	
	What money could be on the table to incentivise N reduction?	
9.30-9.45	Overview	Don Atkinson
	Why are TDRs important	
	Objective of the TDRs	
	What is a TDR - examples	
	Key questions for today's focus (Inclusion, eligibility, size, quantity, validation, other rights)	
9.45-10.00	What is the DP proposal?	Liam Dagg
	Donor and recipient areas	
	Nutrient reductions per TDR	
	Requirement for donor to find recipient	
	Other rural subdivision rights	
10.00-10.15	A Farmer's objective	Stuart Morrison
	The Cost of land use change	
	Why Lake Rotorua catchment needs TDRs	
	The opportunity	
10.15-10.30	Where else have TDRs been applied?	
	Western Bay and Franklin experience	
?	Clarifications	
10.30-11.00	Morning break	

11.00-11.10	What Land Included	Neil Oppatt
	Which land for the donor area?	
	Which land for recipient area?	
	Prerequisites/ restrictions / limitations - amenities, infrastructure	
11.10-11.20	Eligibility	Anna Grayling
	To what change should TDRs be applied? Definitive change only?	
	Should TDRs be substitutable for, or additive to, other incentives?	
	From what base should change be incentivised? (from 2004 benchmark, or some other base?)	
11.20-11.30	Maori land	
	How will TDRs effect Maori Land	
	What are their opportunities	
11.30-12.30	Workshop	
12.30-1.30	Lunch	
1.30-1.45	The Market for TDRs	
	A Real Estates Agents perspective	
	Market opportunity, optimum lot size and range.	
1.45-2.00	Size and Quantity	Simon Park
	Maintaining TDR value	
	What N equivalence per TDR?	
	How many TDRs?	
	Validation of reductions	
	Prerequisite reductions for TDR eligibility	
2.00-2.15	Mechanics	
	How does RDC track & validate N reductions?	
	The transaction process - a TDR bank or something else?	
2.15-3.15	Workshop	
3.15-3.45	Key Points	Derek Nolan
		Ian McLean
3.45-4.30	Afternoon tea	