

Minutes for Lake Rotorua Catchment Stakeholders Advisory Group, 17 December 2013

Rotorua District Council – Committee Room 1

1061 Haupapa Street, Rotorua, 9:05 a.m. start

Chair: Tanira Kingi

Present:

- Māori Trustee: Arapeta Tahana
- LWQS: Warren Webber
- RDC: Cr Karen Hunt
- Māori landowners: Arthur Warren, John Fenwick, Te Taru White (away 9:35 – 10:30)
- Collective reps: Joanna Carr, Stuart Morrison, Wendy Roe, Murray Scott, Gisele Schweizer (from 9:15am)
- Small block holders: Karl Weaver
- BOPRC: Cr Neil Oppatt, plus staff: Anna Grayling, Sarah Omundsen, Jenny Clarke (Minutes Secretary), Warwick Murray, Karen Parcell (from 9:30), Alastair MacCormick (9:35–10:45), Gloria Zamora (from 9:45), Stephen Lamb (from 10:05)
- Others: Simon Park, StAG secretariat; John McRae; Chris Paterson; Neil Heather; Gwyn Morgan; Ollie Parsons (from 10:10 am); Tony Petch (Lake Taupō Trust, 10:45 am–12:10); Graeme Fleming (Lake Taupo Protection Trust, from 10:45 am)

Action summary

1. Subcommittee to draft TOR for Land expert advisory panel (Simon and Warwick, Jan 2014)
 2. Clarify the number/area of land titles <40ha that are part of larger land holdings and/or how many independent properties are 2-40ha (Lisa, Sarah)
 3. Collective to write to Anna on possible farmer communications support (Wendy)
 4. Iwi communication initiatives: Anna to liaise with Lana, John Fenwick, Te Taru White and other Te Arawa reps (Anna)
 5. Present draft model for options on Incentives fund governance, for discussion and decision at February StAG meeting (Anna Grayling)
 6. Subcommittee to discuss economic impact research and draft outline (21 January 2014, to present to StAG in February and up to Council in March 2013)
-

Item 1: Karakia and welcome

- Tanira Kingi, Arapeta Tahana
-

Item 2: Apologies

- Mark Rawson, Lana Ngawhika, Don Atkinson, Neville Nepia, Colin Maunder, Ollie Parsons (late), Gisele Schweizer (late), Fred Whata (observer), Paulina Wilhelm

Item 3: Minutes of previous meeting (18 November 2013)**Discussion on minutes:**

- No issues raised; Action points are all on track

Motion: Accept minutes of main StAG meeting 18 November 2013 as accurate

Moved Warren/ seconded Stuart / CARRIED
--

Item 4: General business items to add

- Economic impacts of NDAs (Wendy and Stuart)
- Administration (Anna Grayling)

Item 5: Getting expert advice on land use, nutrient management and economics (Tanira)

- A StAG update was given to RTSALG on Friday 6 December plus discussion on the need for integrated work on advice for land use, nutrient management, farm and economic advisory services. This could be a land-focused technical advisory group (TAG), preferably with an overarching framework to link to the existing Lakes TAG (chaired by David Hamilton) and other local and NZ TAG-type initiatives.

- RTASLG passed a resolution as follows:

Explore options to obtain ongoing expert science advice on land use, nutrient management and economics, in order to inform the development and implementation of the "rules and incentives package" for the Lake Rotorua catchment, and potentially other lake catchments.

- It was generally agreed that an expert advisory panel needs to come up with solutions as well as inform policy.

ACTION: Subcommittee draft TOR for Land expert advisory panel (Simon, Warwick Jan 2014)

Item 6: NDA options paper (Sarah Omundsen)

- StAG preferences were sought on the three key NDA issues described in the agenda paper. The three issues, options and StAG preferences were:

1. Dairy support – should it be a separate option?

StAG: No, because a suitable drystock NDA range can accommodate dairy support plus intensive beef which can have comparable N loss and profitability.

2. NDA ranges determined by:

- a. Rainfall and soil type, or
- b. Adjustment from existing Rule 11 (R11) benchmarks

StAG: Adjusted Rule 11 range preferred, possibly with further tweaks on Warren's numbers once economic impacts are assessed.

Caution was noted on:

- An adjusted grandparenting scheme still has some of the problems discussed a year ago, including that historic high N loss is still partly "rewarded"

- An overlay of soil/rainfall and R11 data showed poor correlation i.e. R11 differences in N loss are largely driven by farm system and management, not soil and rainfall

3. Allocation starting point

- a. 2001-04 benchmarked land use, or
- b. Current land use, or

StAG: Take a flexible approach and work with individual farmer on which starting point to use through the FNP (Farm Nutrient Plan) process, as long as the R11 benchmark was/is not exceeded. In most cases, the 2001-04 year would be appropriate but case-by-case flexibility will reduce inequity, such as when a recent conversion was made from drystock to dairy within the drystock R11 benchmark.

Item 7: Permitted activity rules paper (Lisa Power, presented by Sarah Omundsen)

Paper taken as read; questions were dealt with during General Business time (in Lisa's absence)

- Discussion on permitted activity thresholds >40ha (summary given by Sarah Omundsen)

StAG consensus was supportive of the draft permitted rule with the <10kgN/ha threshold as outlined, noting:

- 10kgN/ha aligns with the bottom of the suggested 10-20 drystock range and this is logical in terms of the scale of effects. Conversely, landowners can still opt for the NDA consent route if >10kgN/ha
- Properties <2ha (and near lake edge, non-reticulated) pay \$15-20k for an advanced OSET system, so OK to be permitted

ACTION: Clarify the number/area of land titles <40ha that are part of larger land holdings and/or how many independent properties are 2-40ha (Lisa, Sarah)

Item 8: Characterising drystock farms using Rule 11 data (Alastair MacCormick)

Alastair spoke to his presentation "Drystock Analysis" (attached)

- Characterising different type of drystock farms and suggesting possible NDA ranges
- 40 farms selected from top 20 by area and top 20 by N loss rate, assessed for sheep/beef ratios, and then analysed by:
 - N loss from the effective area
 - stock units per hectare
 - cropping as % of farm area
- Some relationships between farm attributes were not clear, such as the poor correlation between stocking rate and N loss. For example, several farms with annual stocking rates of <10 SU/ha had winter dairy grazing and/or crops giving higher N losses comparable to more intensive drystock farms.

- StAG acknowledged that this characterisation will assist detailed analysis of NDA economic impacts.
 - Additional analysis was provided on the areas on farms that was in trees, EPs (Environmental Programmes and related protection mechanisms) and slope over 26°. This will help inform any NDA decision on pre-2001 mitigation.
 - Key points (taken from Alastair's slides):
 - 7060 Ha of trees on pastoral properties, 1100 on dairy properties, 5960 on drystock properties
 - Of the 7060 Ha of trees, approx 4600 are on 26°+ (probably overstated due to GIS limitations)
 - Approx 2300 Ha of EP's, RMP's, BMP's and FMP's. 2000 Ha of these are trees
 - Of the 2000 Ha trees in EP's, 1900 Ha is on 26°+ (probably overstated due to GIS limitations)
 - StAG acknowledged the significant work by Alastair to prepare this analysis.
-

Item 9: Engagement plan on rules and incentives (Anna Grayling / Rachael McGarvie)

- Brief update by Anna on the evolving engagement plan, including:
 - Rachael met with Collective reps and also received StAG member feedback with generally minor edits now incorporated
 - Ongoing iwi and landowner focused engagement will be pursued, possibly using their own respective people/channels.
- It was clarified that media releases are going via the StAG chair.

ACTION: Collective to write to Anna on possible farmer communications support

ACTION: Discuss Iwi communication initiatives (Anna to liaise with Lana, John Fenwick, TeTaru White and other Te Arawa reps.)

Item 10: Incentives fund governance options (Anna Grayling)

Anna spoke to the incentives "Consideration of Entity" paper circulated with the agenda.

- Introduction to Graeme Fleming (CEO of Lake Taupō Protection Trust) and Tony Petch (Waikato Regional Council manager) – sharing of experiences with Taupō project and using an external trust for project implementation
- 3 options to deliver incentives scheme are: Internal, external, hybrid
- Discussion on criteria, what is most important to land owners / StAG?
- Options will be presented to BOPRC Councillors

StAG members are mainly in favour of the external CCO option but wish to find out more about it, including how it would run and feedback loops (monitoring, audit, dealing with board member performance). Individual discussion points included:

- CCO Taupō model is working well and is a suitable template with perceived independence from Council
- Both internal and external models can work – good relationships are key to both
- CCO model is more suitable for potential business opportunities
- A CCO model is OK provided it is set-up well
- A hybrid (internal operation with external oversight group) could achieve similar benefits as a CCO
- CCO reduces risk associated with Council staff and political turnover even though farmer (politics), but otherwise ok with internal involvement
- Either model can work, but on balance a CCO is preferred
- Internal preferred with an emphasis on relationships and accountability
- There are many farmers not at the table and they need to be communicated with
- Supportive of Taupō CCO model, with adjustments for Rotorua catchment
- Either model (or hybrid) can work with Council support

ACTION: Present draft model for options on Incentives fund governance, for discussion and decision at February StAG meeting (Anna Grayling)

Item 11 General business

- Administration (Anna Grayling) – informed group that Gloria Zamora will be taking over secretarial and related roles for StAG in 2014
- Tanira thanked Jenny for her work supporting StAG throughout 2013
- Wendy Roe and Stuart Morrison: Discussion on the urgent need for research on NDA economic impacts to farming businesses, with scaling up to catchment level. Otherwise farmers and the wider community will not be able to understand the impacts of draft rules and policies. A paper needs to go to Council by March 2014
- Request and agreement to remove sign-in from secure website (done 19 December!)

ACTION: Subcommittee to discuss economic impact research and draft outline (21 January 2014, to present to StAG in February and up to Council in March 2013)

Tentative meeting schedule for 2014

21 January – StAG subcommittee only
11 February – full StAG meeting plus subcommittee
A full StAG and subcommittee meeting schedule will be circulated early 2014

Meeting closed 12:30 pm

Drystock Analysis

(work in progress)

StAG

17 December 2013

Purpose/methods

- To characterise different types of Rotorua drystock farms – and suggest possible NDA ranges
- Selected first 20 farms by largest effective drystock area (EA 1-20)
- Selected second 20 from remaining properties by highest drystock N discharge per Ha (ND1-20)
- Categorized 2 ways – discharge/Ha and SU

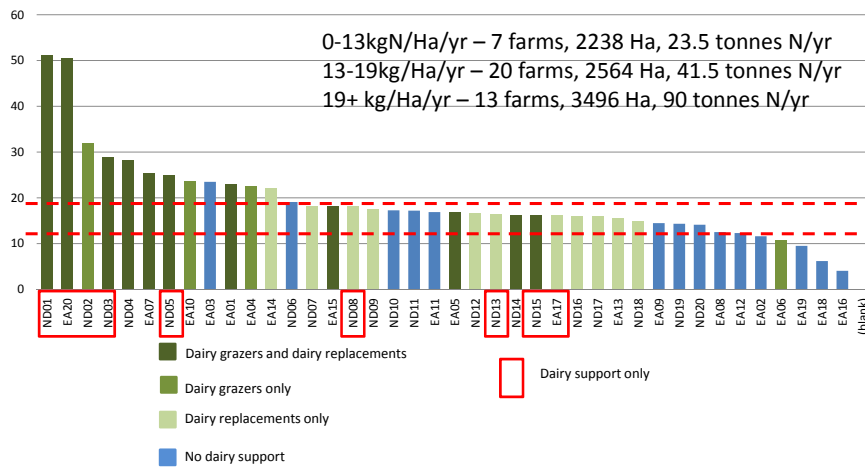
Catchment Coverage

Sample	*Drystock Area	% of catchment drystock area	*Drystock N discharges	% of catchment drystock discharges	Tree Area	% of catchment tree area
20 EA Farms	6921	40% (60% Bmed)	125469	43%	2199	11%
20 ND Farms	1377	8% (12% Bmed)	29822	10%	372	2%
Total	8299	48% (72% Bmed)	155290	53%	2571	13%
Benchmarked	11560	67% (100% Bmed)	200372	68%	13360	67%
Catchment Total	17337	100%	294982	100%	19838	100%

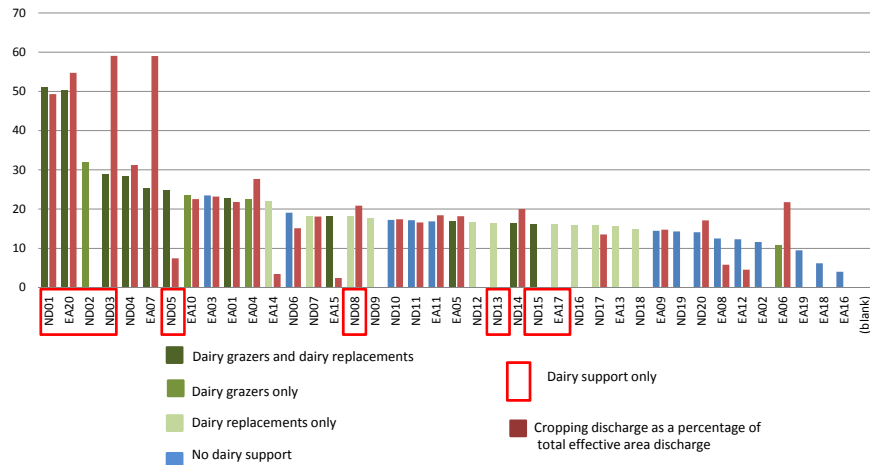
* Drystock area in this analysis includes crop, cut and carry, fodder (dairy support), pastoral dairy support and pastoral (drystock)

- Sample covered almost 50% of the catchment and 72% of the benchmarked drystock area
- Six dairy farms were included initially but four dropped because insufficient information was available
- All farms above 40 Ha

Method 1 – Ranked by effective area discharge



Method 1 – Significance of cropping



Method 2 – Rank by stock units

- Categorised farms by “intensity” where
 - » Greater than 14 SU/Ha = intensive
 - » 10 - 14 SU/Ha = moderate
 - » Less than 10 SU/Ha = low intensity
- Categorised farms by “type” where
 - » 3 times more beef SU than sheep = “beef”
 - » 3 times more sheep SU than beef = “sheep”
 - » in between is “mixed sheep/beef”
- Deer SU’s considered to be sheep
- Dairy support included in beef SU’s

Comments

- 65% of sample involved in dairy support
- Dairy support spread through middle to top of discharge range
- Dairy support is often part of a mixed system
- Cropping and high N discharge often connected (discharge or area or both?)
- Stock units not directly linked to discharge rate
- More work needed on guiding principles before categorising drystock properties

Trees, EP's and slope

- 7060 Ha of trees on pastoral properties, 1100 on dairy properties, 5960 on drystock properties
- Of the 7060 Ha of trees, approx 4600 are on 26°+ (probably overstated due to GIS limitations)
- Approx 2300 Ha of EP's, RMP's, BMP's and FMP's. 2000 Ha of these are trees
- Of the 2000 Ha trees in EP's, 1900 Ha is on 26°+ (probably overstated due to GIS limitations)