

Minutes for Lake Rotorua Catchment Stakeholders Advisory Group, 11 February 2014

Rotorua District Council – Committee Room 2

1061 Haupapa Street, Rotorua, 9:00 am start

Chair: Tanira Kingi

Present:

- Te Arawa Lakes Trust: Willie Emery, Leilani Ngawhika
- LWQS: Don Atkinson, Warren Webber
- RDC: Cr Karen Hunt, Mark Rawson
- Te Arawa Land Reps: Te Taru White, Neville Nepia, Hera Naera
- Māori Trustee: Cr Arapeta Tahana
- Collective Reps: Joanna Carr, Stuart Morrison, Wendy Roe, and Gisele Schweizer
- Rotorua Primary Collective: Christine Paterson and Neil Heather
- Small block holders: Karl Weaver
- BOPRC: Cr Neil Oppatt, plus staff: Anna Grayling, Sarah Omundsen & Warwick Murray
- Others: Simon Park (StAG Secretariat); Gwyn Morgan (Fed Farmers); John McRae (Deloitte, WPL); Gloria Zamora, Ben O'Brien (Beef & Lamb NZ)

Action summary

1. Add to subcommittee agenda regarding Incentives Entity:
 - a. draft development process
 - b. Drafting of delegations, ToR, skill sets of members, and selection process and a decision as to what part industry will have in that process.
 - c. Land evaluation requirements to be added to subcommittee as a subsequent phase to the NDA Financial Impact analysis.
2. Collective Executive to work with Rachael McGarvie, to modify information in pamphlet and circulate to StAG chair for sign off.
 - a. Need to determine what “effective area” means.
 - b. Rachael McGarvie to redraft pamphlet and meet with Wendy Roe, Gisele Schweizer, Sarah Omundsen, and Gwyn Morgan
3. Subcommittee to define Land TAG establishment process with region-wide focus.
4. Subcommittee to draft paper on \$5.5 million options with direction from StAG
5. StAG members wanting hard copies of agenda, minutes and reports to notify Gloria for these to be printed hardcopies for future StAG meetings

Item 1: Karakia and Welcome

Chairman Tanira Kingi welcomed StAG members and attendees to the first group meeting of 2014.

Arapeta Tahana opened the meeting with a karakia.

Item 2: Apologies

- For lateness, Warren Webber and Cr Karen Hunt
- For absence, Hera Smith (TALT)

Motion: Resignation of Lana Ngawhika

Tahana/Carr CARRIED

The Chair welcomed Willy Emery to the meeting as the TALT representative. The permanent appointment will be confirmed by TALT in March

Item 3: Minutes of previous meeting (22 October 2013)

Motion: Move minutes of 17 December 2014 as true and accurate

Webber /Carr, CARRIED

Discussion on previous Action points:

1. Draft ToR for Land TAG completed by Simon Park & Andy Bruere – see this agenda.
 2. Clarification of number/area of land titles <40 ha to be added to General Business.
 3. Collective still working out minor details on farmer communications support prior to requesting support from BOPRC.
 4. Iwi Communications Initiatives – Arapeta Tahana has arranged initial meeting for 13 February 2014. This will begin with the Te Arawa context, then look at how to integrate with non-iwi farmers as well
 5. Item 5 & 6 on today's agenda (incentives entity and NDA impacts respectively).
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Item 4: General business items to add

1. Feedback on draft communication pamphlet
 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 - Sarah Omundsen
 3. Comments on achieving TLI targets - Stuart Morrison
 4. Gorse Update - Anna Grayling
 5. Funding Update - Warwick Murray
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Item 5: Incentive Entity (Anna Grayling)

1. Anna Grayling presented on 2 types of potential entities: CCO and Hybrid.
 - a. Ministry of Environment has no preference
2. Mark Rawson provided details of both entities as they are currently run by RDC.
3. Overall Comments included the following:

- a. Success can be found in both models as long as all parties work together willingly and with integrity.
- b. Keep in mind that it will be a single purpose structure for a finite period of time as it is not a business like many CCOs.
- c. Both options have robust reporting requirements.
- d. Hybrid model means council is involved in the decision-making as a council appointment, and can be open to influence by council-type policy and "style"
- e. CCO – requirement to report to Councillors, but independent on how the entity functions.
- f. Funding to run either entity will come from Regional Council
- g. Terms of reference (hybrid) and Statement of Corporate Intent (CCO) will be critical for either entity chosen; this is where accountability will play a large part.
- h. CCO may take longer than the hybrid option to set-up (Lake Taupō Protection Trust took 3 years to establish).
- i. Important to clarify purpose, identify functions and necessary skills first; the structure to deliver will then follow.

Show of hands VOTE: CCO=3, Hybrid=9 Abstentions, Chair and Neil Oppatt

Majority preferred approach at this time is hybrid; however the process is still being developed. Development process includes the following: drafting of delegations, ToR, skill sets of members, and selection process and a decision as to what part industry will have in that process. Preferences may change after this work is done.

Motion: Accept current preference of StAG Members

Tahana/Roe, CARRIED

ACTION: The StAG subcommittee will provide more detail on the development process at their meeting and report to StAG in March

Item 6: NDA Impact Analysis Presentation Update- Sarah Omundsen

1. Draft RFQ has been completed. Timelines being developed for Phase 1 of 6 Phases. Results will be available late April 2014.
 - a. Selected contractor should begin in 2 weeks
2. The consultant's report will provide clarity on the viability of pastoral farms within the catchment under the proposed NDA range
3. Options paper will be presented BOPRC (25 March workshop) & RTALSG 19 March
4. Question: Will analysis be done on the impacts of the NDAs on land value? There needs to be a consideration of property valuation in this work. Future land use may be restricted because of the NDAs which may in turn lower land values and farm profitability.
 - a. Answer: This is work we will need to be considered in the next phases. Because of the timeframes, assessing the NDA impacts on land values is

beyond the scope of this specific project. Once we get feedback on the draft rules, we will be in a good position to do more detailed and targeted analysis.

- b. Land value impact work can be identified in the workplan, and the sub-committee will provide support around scoping up a project.
5. Question: will an analysis be done on the economic effects on the whole catchment & wider community?
 - a. Answer: This first stage work will feed directly into a wider catchment analysis that is currently being planned.

This project came about specifically to provide better information the impacts of the NDAs on different farms in the catchment, but specifically drystock since we have limited knowledge of these farms. .

6. The intention was to take the draft rules package to Council for approval in March, but have had approval to delay this until June to ensure Council have this information when making their decision.

ACTION: StAG sub-committee to draft the ToR for the additional land valuation and catchment-wide components of this study and report to StAG in March for discussion and approval.

Item 7: Land TAG Presentation- Simon Park

1. On 6 December 2013, RTALSG asked for options to obtain on going expert science advice on a range of issues related to land including land use change, nutrient management, farming systems and economic impacts etc.
2. Andy Bruere and Simon Park have developed a draft ToR for a Land TAG for the Lake Rotorua Catchment. This was presented to StAG by Simon.
 - a. The question was raised about the scope of the TAG and whether it was restricted to the Rotorua lakes catchment or extend to the Bay of Plenty region
3. Neil Oppatt said that a region-wide advisory group will improve its chances of being approved by Council while also giving the group access to a larger regional funding pool.
- 4.
5. Warwick Murray will speak to other Executives at BOPRC and discuss the merits or otherwise of increasing the focus of the Land TAG to the BoPRC region
6. Stuart Morrison asked that farmers within Rotorua want important work to be started asap in the catchment. The Chair responded by stating that under a BoPRC regional Land TAG that Lake Rotorua catchment could be a work stream or work programme that was given funding priority to start work early. Other catchments across the region would then operate under similar work streams.

Consensus that Land TAG is endorsed by StAG members
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Item 8: General Business

1. Rachael McGarvie - draft pamphlet has been developed to inform the wider community of what is happening in catchment.
 - a. Wendy Roe expressed concern that the draft pamphlet had not been circulated to the Collective Executive for input. Main points were:
 - i. Too much information, hard to read.
 - ii. The numbers in the tables were confusing and best left out
 - iii. Much of the information in pamphlet has not been decided yet and needs to be removed or suitable caveats given.
 - iv. Collective needs more time to comment on the document. Less than 24 hours (for some recipients) is not sufficient.
 - v. This has been a 14 year process and as a result farmers have tuned out. Pamphlet needs to tell a story of timeline, be eye catching and have better headline.
 - vi. The message needs to be simplified and needs to spell out how the rules and incentives programme will affect farmers
 - b. ACTION: Rachel to work with Wendy and others on the Collective Executive plus Gwyn Morgan, to redraft the pamphlet. Once this done it is to be circulated to the StAG chair for sign off before being released publically.
2. \$5.5 Million- What will it be used for?
 - a. Current confusion over the definition of what the \$5.5m is to be used for. At a meeting between Mary-Anne McLeod, Warwick Murray, Roku Mihinui and Tanira Kingi at the end of 2013 Minister Adams made it clear that she would not support farmers being paid to meet the rules. The response given to her was that this funding will be to assist farmers to meet their rule obligations.
 - b. The Chair explained that he used the term 'indirect' assistance to farmers in contrast to 'direct' assistance that farmers would get under the Incentives Scheme i.e. selling N. He reiterated that the 'over the line \$5.5m' should not be used to buy N, this would put the fund at risk of being folded into the \$40m Incentives funding pool. He also explained this was his understanding only and he was not speaking for StAG.
 - c. It was agreed that StAG needs more clarification as to what "assist" means. The initial farmer expectation expressed at the meeting was that this meant direct financial help to meet NDAs.
 - d. The Collective asked for clarity on the administration costs of this fund
 - e. Interest-free loans may assist some farmers to meet NDAs
3. Clarification of number/area of land titles <40 ha- Sarah Omundsen
 - a. We know the number of parcels in the catchment <40 ha, but our current databases do not have information on how many of these small parcels are amalgamated and running as a single farm.

- b. Getting this fine detail will require extensive and expensive survey work. Given the issue can be dealt with effectively through the consenting process, it is not considered to be good value for money at this stage.
- c. Rules need to be written to ensure properties under 40 hectares have choices i.e. permitted 10kgN/ha or apply for consent. Same rules should apply to all properties.
- d. Staff request: Is StAG satisfied with this approach?

StAG members satisfied with answer

4. Achieving TLI Targets - Stuart Morrison

- a. Recent question from a journalist why are doing what we are doing - focusing on N reductions - if Lake Rotorua is already clean?
- b. Perception: N & P targets are linked, if we achieve the N target we automatically achieve the P target.
- c. Rather than using "N hammer" to solve all questions, are there alternatives? Targets were set in 1986, a lot has happened since then. We are assured that science is still relevant. We need to know where we're going & why with mandatory Reviews (first in 2017) at specified future dates. e can relook at the direction and the "why?"
- d. Stuart Morrison said that the Collective would like these concerns (including revisiting the TLI, N and P targets) regarding the relative focus on N & P to be considered by the proposed Land TAG in cooperation with the existing Lakes TAG.
- e. This includes revisiting the TLI, N and P targets and their relevance.

5. Gorse Update- Anna Grayling

- a. Council decided to support the proposed implementation in full.
 - i. Provision for joint venture funding.
 - ii. Issues need to be ironed out but ready to begin.

The meeting was closed with a karakia by Taru White at 12.25pm