

StAG Subcommittee, 19 June 2014**BORPC, 1125 Arawa St Rotorua 1:15 PM****Present:**

Collective Rep: Stuart Morrison, NZ Ollie Parsons; BOPRC: Sarah Omundsen, Stephen Lamb, and Anna Grayling; Tanira Kingi (StAG Chairman), Gloria Zamora, Simon Park (Subcommittee Chair), Gwyn Morgan (Fed Farmers), LWQS: Warren Webber, MPI: Dr. Robin Connor

Previous Minutes, actions

- Apologies: None
- No General business items
- Previous Action List – two items for follow up by Simon:
 - create hypothetical consent situations has been put on HOLD.
 - one-pager on options to improve StAG effectiveness in providing policy advice

ACTION LIST

1. StAG: send feedback to Dr. Robin Connor by 21 July 2014 at Robin.Connor@mpi.govt.nz

NB: The suggested subcom for 1 July has been cancelled but please address “1 July” action items below by circulating responses to fellow subcommittee members by 3 July 2014.

2. Anna/Stephen: present a process for #1 & 2 and a division of \$ contribution breakdown 1 July subcom
3. Sarah: present S32 process summary at next subcom. Ollie/Gwyn will contribute.
4. Stephen Lamb: to present funding entity timeline at next StAG meeting 15 July 2014
5. Ollie Parsons: draft project plan on Catchment Model Process for next StAG subcom 1 July 2014.
6. Stephen Lamb: send Gloria list of Councillors to be invited to additional Overseer Session
7. Simon Park: draft agenda for additional Overseer session for next subcom meeting 1 July 2014.

STAG Follow Up**Item 1: N Trading - What do we need to do next - Dr Robin Connor, MPI**

1. What else do we need to know for this catchment to help design the scheme?
 - a. Need to know more about the diversity and complexities in the catchment
2. Key elements for success:
 - b. Common allocation method / system
 - c. Robust tracking/accountability
 - d. Institutional assurance
 - e. Checks and balances that are transparent; there are some transparency risks when the monitoring, recording and registry services are done by the regulator
3. Does N trading impose a challenge in writing the RMA rules?
 - a. It can be a simple process of writing “enabling” rules, with the complexity and details kept outside of the rule framework.
 - b. The consent can say you are allowed to leach “x” N unless modified by a N trade
4. Need to assess if there will be an N market (or not) - more analysis is required on this point.
5. Is there any N trading precedence out there that would give us good guidance?
 - a. Yes, Taupō - difference here is there regulatory pressure to reduce as well as incentives
6. What are the logistics required to make the system work?

- a. Depends on how robust the system is – should be addressed at a national level. Consider related challenge of framework to deliver 20,000 farm plans across NZ within next 10 years
- b. Can build on current Rule 11 database to deliver the registry service
7. N trading that relies on Overseer could be problematic – i.e. the inherent uncertainty in the model gives rise to the possibility that not all traded N is real N. This is a real issue that needs to be assessed.
8. Is N trading a competitor to the Incentive Fund?
 - a. Trading is a risk to the fund but the reduced total cost to the farming community should outweigh that risk.
 - b. Research is needed to look at where trading may fit in with the Incentive Fund, and how the fund will interact
 - c. Oturoa agreement says that N trading would be implemented
9. Could the process be as simple as Expressions of Interest?
 - a. Needs a tracking mechanism – robust register needed
10. Next Steps: Robin's paper goes to Council in August on whether trading should be pursued or not.
11. Note there is still risk that we don't get the 100t at \$400/kgN
12. Trading will be most useful in the first 5- 10 years when people need to adjust
13. It's possible to write into the plan what will happen if we don't get the 100tN but farmers oppose this as it gives no certainty.

ACTION: StAG members to send feedback to Dr. Robin Connor on his N trading paper by 21 July 2014 at Robin.Connor@mpi.govt.nz

Item 2: Clarity of \$5.5 million

1. Focus is on FNP costs which is priority
2. Meeting on 15 July (post-StAG) to address FNP minimum requirements (part of rules).
3. Some farms already have FNP (or similar) but we will not receive rebates
4. FNPs will be cheaper to produce for farms already at their NDA
5. Keep in mind we are providing a service and everyone's needs are different.
6. FNP definition is still not clear, Council needs to be clear on what is mandatory and how that process is interpreted to farmers
 - a. We can set stages: \$2000 for all farms over 40 ha, some won't need to go to step 2
7. Farmers face choices: tactical changes; system change; Incentive fund (incl. LU change)

ACTION: Anna to present a process for #1 & 2 and a division of \$ contribution breakdown by 1 July 2014

ACTION: Gloria send invite out for subcom 1 July 2014

Item 3: Consultation schedule, messages

1. We need to be careful with messages to make it clear that all options are available.
2. Need a clear answer on how we got to the NDA range approach following the fixed sector averages of 35:13, and we need to be clear that this is DRAFT only
3. The BOPRC comms and engagement team are meeting every Monday to talk through the communications plan and organise the scheduling etc.

Item 4: S32 process

1. We need a factsheet/timeline.

ACTION: Sarah will present at next subcom. Ollie/Gwyn will contribute.

Item 5: Entity Timeline

1. BOPRC and Farmers would like entity set up as soon as possible

ACTION: Stephen Lamb to present establishment timeline at next StAG meeting 15 July 2014

Item 6: Catchment Model Process

ACTION: Ollie Parsons to draft project plan for next StAG subcom 1 July 2014, covering 3 main sectors.

Item 7: FNP Minimum Requirements

To be progressed at 15 July 2014 meeting, aim to finalise by December 2014.

Item 8: Overseer Rules Workshop Session - Audience and Purpose

Audience is:

1. All of StAG, including forestry rep
2. Gwyn Morgan and his Feds manager
3. Interested Councillors

ACTION: Stephen Lamb to send Gloria list of Councillors to be invited.

ACTION: Simon Park to draft agenda for next subcom meeting 1 July 2014.

Meeting adjourned 2:45 pm.