



Submission form

Send your submission to reach us by **4:00 pm on Wednesday, 27 April 2016.**

Submission number
Office use only

Post: The Chief Executive Bay of Plenty Regional Council PO Box 364 Whakatāne 3158	or Fax: 0800 884 882	or email: rules@boprc.govt.nz
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Submitter name:

Rotorua District Council (known as Rotorua Lakes Council ('RLC'))

This is a submission on **Proposed Plan Change 10 (Lake Rotorua Nutrient Management) to the BOP Regional Water and Land Plan.**

- 1 RLC **could not** gain an advantage in trade competition through this submission.
- 2 The details of RLC's submission are recorded in the **attached**.
- 3 RLC **wishes** to be heard in support of its submission.
- 4 If others make a similar submission, RLC will consider presenting a joint case with them at a hearing.

Geoff Williams, Chief Executive Officer, Rotorua Lakes Council

[Signature of person making submission or person authorised to sign on behalf of person making submission.] _____

Date

[NOTE: A signature is **not** required if you make your submission by electronic means.]

Address for service of submitter:

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Aimee McGregor, Strategy Manager, Rotorua Lakes Council

SUBMISSIONS**Preamble**

The Rotorua Te Arawa Lakes Programme is a partnership with Rotorua Lakes Council, Te Arawa Lakes Trust and Bay of Plenty Regional Council with funding from Ministry for the Environment. The Programme has been working together to protect and restore the water quality of our lakes. There are four priority lakes including Lake Rotorua.

The issue with Lake Rotorua has been identified as 755t of nitrogen entering the catchment per year when the science tells us that the sustainable load on the lake is 435tN. Reaching this limit by 2032, with 70% of the reduction occurring by 2022 is set out in the Regional Policy Statement. RLC supports this policy in so long as the science is accurate and regularly reviewed.

The Regional Water and Land Plan gives effect to this policy and until now has capped land use discharge using rule 11. This has now changed with new rules (Plan Change 10) notified on 29 February 2016 that require the rural sector to make reductions towards the 2022 and 2032 targets.

The plan change relates specifically to the reduction of nitrogen from rural properties/farm enterprises. However the objectives and policies do not preclude introducing similar allocations or reductions from urban loads. The 435tN sustainable limit and the allocation by dischargers within the integrated framework also implies that there will be no opportunity to increase the discharge from the Waste Water Treatment Plant (WWTP) over its prescribed load of 34tN. This is a significant concern with respect to the impact on urban growth, the future investments required by rate payers, and our ability to take waste streams from other lake catchments such as Lake Tarawera.

In determining whether to make a submission to this plan change RLC considered the balance of benefits to the lake with the economic and social impacts. Early last year BOPRC released an economic impact assessment for the nutrient rules component of the integrated framework. RLC asked for a more thorough economic impact assessment to be completed, which was completed and presented in mid-2015. RLC were surprised and concerned that the economic impact was reported as lower than expected, particularly as we are aware of a high level of concern in rural and supporting sectors.

This concern led RLC to look for opportunities for changes to the integrated framework work programme that RLC believe would improve the economic outcomes for the Rotorua district. In particular the establishment of a Lakes Protection Trust (working title only) with broader

economic objectives to manage the \$40m incentive fund combined with the \$3.3M Low Nutrient Land Use Fund (LNLUF) for investigating land use change. We have been and continue to discuss this with BOPRC but with little success to date.

Given the sensitivity and importance of these issues RLC wanted to ensure any submission made to the plan change considers input from the Rotorua rural and economic communities. Therefore a workshop was held on 1st March to discuss the issues noted above. The discussion at this workshop has informed this submission.

Introduction

1. Rotorua District Council, known as Rotorua Lakes Council ('RLC'), wishes to make a submission on Plan Change 10 (Lake Rotorua Nutrient Management) ('PC 10') to the Operative Bay of Plenty Regional Water and Land Plan ('Regional Plan').
2. RLC has a duty, under section 31 of the Resource Management Act 1991 ('RMA') to perform its duties and functions under that Act in order to promote sustainable management of the natural and physical resources within the Rotorua district. This statutory duty requires RLC to manage those resources in a way that enables Rotorua communities provide for their social, economic and cultural well-being. RLC has a related statutory purpose under section 10(1)(b) of the Local Government Act 2002 to meet its current and future communities' needs for good quality local infrastructure.
3. RLC supports the existing freshwater objectives for Lake Rotorua, in particular Objective 28 of the Operative Bay of Plenty Regional Policy Statement ('RPS') and Objective 11 of the Regional Plan. RLC also supports Bay of Plenty Regional Council's ('BOPRC') use of a rules-based approach as a planning method in the Regional Plan to reduce discharges of nitrogen into land and then into the catchment of Lake Rotorua. However, the final amendments to the Regional Plan resulting from PC 10 must allow Rotorua communities to continue to provide for their social, cultural and economic well-being, which is not currently the case with PC 10.
4. RLC is concerned that these impacts are not being best mitigated for our rural and rural-supply communities, iwi or the general public of the district.
 - a. The economic impact considered in the PC 10 Section 32 evaluation considered a whole of district, region and country impact but not the very significant and direct economic impact on the rural and rural-supply communities in the Rotorua district. It acknowledged the high social impact and stress on these communities but PC 10 accepts these as a necessary cost to achieving the objectives.

- b. The significant impact on multiple-owned Māori land blocks (particularly those blocks which are under-developed) has not been sufficiently addressed or provided for within PC 10.
- c. The Lake Rotorua Integrated Framework, referenced in the introduction of PC 10, includes an Incentives Scheme to remove 100tN which is not set-up to minimise the economic impact while seeking the reduced nitrogen limit.

RLC's General submissions

Rural land use

- 5. Use of land for 'farming activities', as defined in PC 10, in the Rotorua district is a significant driver of the Rotorua economy, accounting for 7% of GDP or \$141m in 2012. PC 10's focus on changes in the use of land for farming activities in order to reduce nitrogen discharges into the Lake Rotorua catchment is, therefore, an important issue for RLC.
- 6. In this context, RLC submits that PC 10 does not give effect to Policy WL 6B, or WL 5B of the RPS, as required under section 67 of the RMA, for the following reasons:
 - a. Rural production land use activities are in some cases being required to reduce more than is reasonably practicable using on-farm best management practices; this is recognised on page 157 of the Section 32 Evaluation: "*The financial implications of meeting the nitrogen reduction targets will vary at the individual farm level and will require more than best practice.*"
 - b. There is not an equitable balancing of public and private costs when the benefits are not being maximised for private or public and farmers are not being supported as far as practicable to stay on the land. This is impacted by a restriction on trading of nitrogen prior to 2022 and an Incentive Scheme is not required to minimise the economic impact of purchases of nitrogen.
- 7. PC 10's proposed allocation of 435tN among land use activities will, in RLC's submission, cause a disparate impact on iwi due to the nature of the multiple ownership of Maori freehold land within the Rotorua district, the consequent impact on land values, inability to sell, reduction of lease income, and cultural limitations on viable alternatives for land use. RLC believes that insufficient regard has been held to RPS Policy WL 5B(d) "Iwi land ownership and its status including any Crown obligation". Section 67(3)(c) of the RMA requires the Regional Plan, as proposed to be amended by PC 10, to give effect to the RPS, including Policy WL 5B(d).
- 8. The potential consequence for change to occur in how rural land is used in the Rotorua district as a result of the implementation of PC 10, requires RLC as the administrator of the Rotorua District Plan to in turn consider indirect but related adverse effects of land use change including visual effects and amenity effects, both at the macro / whole of district amenity level and also amenity for individual land owners.

9. RLC understands that representatives of the rural sector will provide more specific stakeholder comment on relevant aspects of PC 10.
10. RLC seeks the inclusion in PC 10 to the Regional Plan of appropriate objective(s), policies and methods to address its submissions on the topic of Rural Land Use.

Urban Growth

11. Section 2.8 of the RPS identifies the city of Rotorua as a key urban area in the region.
12. RLC's 2030 Vision includes a 2030 goal of Business Innovation and Prosperity with a diverse and sustainable economy and a 2016 priority of "Developing our economic base by growing existing and attracting new businesses to our region". This growth is starting to occur with GDP growth in Rotorua ahead of New Zealand for the year end December 2015 at 2.9% (Infometrics Quarterly Economic Monitor - March 2016). Population projections completed by Berl in late 2014 predict a population increase of between 8 and 32% from 2013 to 2036, from 65,280 people to between 70,000 and 86,000. This will create additional load on the Rotorua Waste Water Treatment Plant ('WWTP'). In addition, tourism is the largest industry in Rotorua in terms of both GDP and employment. The size of the tourism sector is planned to double between 2015 to 2030. Again RLC is seeing significant growth already with visitor nights up 7% to year end December 2015 (Infometrics).
13. In addition there may be opportunities to reduce nitrogen from land use within the Lake Rotorua catchment e.g. land use change to lifestyle or residential, that would require a greater output from the WWTP; as well as from outside the catchment that benefits other priority Te Arawa lakes. For example the final treatment option for Rotoiti / Rotoma is still being worked through and reticulation to the WWTP remains an option. In addition RLC is receiving pressure to consider reticulation of Lake Tarawera.
14. However, the current RPS and Regional Plan provisions do not explicitly allow for these increases to be accommodated and provided for and so could result in a requirement for expensive technical solutions or offsets being purchased at a further negative economic impact to the Rotorua district communities.
15. Given the uncertainty with the science which PC 10 heavily relies on, RLC does not want to be forced to limit growth and/or enact expensive solutions prior to 2032 when it is not known whether the PC 10 targets or their timing are correct and the extent to which interventions to date have achieved the RPS and Regional Plan objectives in the meantime.
16. RLC currently collects and treats wastewater from communities in Ngongotaha, Rotorua City, the Eastern Suburbs and several lakeside communities. This service may need to be expanded in the future to include other communities outside of Lake Rotorua. Wastewater

collected by RLC is currently treated at RLC's single WWTP and discharged to land within the Whakarewarewa Forest. As a result of Environment Court proceedings in 2013, RLC has entered into an agreement with the Forest owner, to cease discharge of treated wastewater to land within the Forest by 2019. As such a new consent is required prior to 2019.

17. The RLC Strategy, Policy and Finance Committee resolved on 17 March 2016 to recommend to Council that consultation commence on a preferred option to replace the current discharge to land within the Whakarewarewa Forest. The preferred option will reduce nitrogen discharges to the lowest level achieved by any WWTP in New Zealand and represent the absolute limits that can be achieved with current technology.
18. The cost of the preferred option for wastewater treatment is currently estimated to be in the region of \$29 million. It is accordingly essential that the final amendments to the Regional Plan resulting from PC 10 recognise and provide for RLC's requirement to replace its current Forest discharge with an alternative option which will inevitably have to provide for urban growth (including reticulation for additional lakeside communities) during its design life and the estimated cost of that option.
19. RLC notes that within the Water Quantity section of the RPS, Policy WQ 3B (c), and also clause (c) of Schedule 7 of new Rule 41C of the Draft Region-wide Water Quantity Plan Change, both clearly acknowledge that additional water will need to be made available for municipal water supplies into the future so as to provide for foreseeable demands (i.e. for future population growth). However there is no such similar acknowledgement that as the Rotorua communities grow, more wastewater will be generated resulting in additional nutrients needing to be treated and then discharged into Lake Rotorua.
20. In this context, RLC submits that PC 10 does not give effect to Policy WL 5B of the RPS, as required under section 67 of the RMA, for the following reasons:
 - a. PC 10's proposed allocation of 435tN among land use activities, and in particular the implied allocation for the discharge from Rotorua's WWTP, does not:
 - i. Allow for intergenerational equity in that Rotorua's urban growth will be effectively capped if the allocation has not made sufficient allowance for urban growth;
 - ii. Consider the extent of the immediate impact given the discharge of treated wastewater accounts for less than 5% of the nitrogen load into Lake Rotorua;
 - iii. Provide for resource use efficiency due to the extremely high cost of removing nitrogen from future wastewater discharges;
 - iv. Have sufficient regard for the high public cost of constraining growth through restrictions placed on WWTP discharges.

21. To address its submissions on the topic of Urban Growth RLC seeks the inclusion of appropriate objective(s), policies and relevant methods in PC 10 to the Regional Plan to recognise and provide for urban growth in the Rotorua district, and for consequent increased loads to the WWTP that result in a net reduction to nitrogen entering Lake Rotorua.

RLC's particular submissions:

Page no.	Reference (e.g. Policy, rule, method or objective number)	Support/oppose	Decision sought Say what changes to the plan you would like	Give reasons
5, 8, 9	LR P4, LR M2, LR M3, LR M4	Support in principle.	Amend LR M2 to replace “these reviews <u>may</u> include” with “these reviews <u>will</u> include”; and to state 2017 as the year the first review will be completed.	<p>RLC supports the use of adaptive management with a five yearly science reviews and regular reviews of the RPS and regional plan. There is uncertainty in the science and the more this is reduced the lower the risk of making sub-optimal resource decisions</p> <p>RLC would like to see this first review occur as soon as possible. RLC is also concerned that the word “may” implies that a full review will not necessarily be completed each five years.</p>
6 17	LR P7 LR R10	Oppose	Amend LR P7 and LR R10 to enable the commencement of authorised transfer of nitrogen loss entitlements from the date on which Rule LR R10 becomes operative under section 86F of the RMA.	<p>Resource efficiency is not adequately maximised if trading of nitrogen is not provided for until 2022. PC 10's moratorium on nitrogen trading until 2022 does not facilitate the preservation of value from existing on-farm capital investment. Provision for earlier trading will enable more efficient resource allocation through the ability of more profitable farms purchasing allowances in order to continue to operate.</p> <p>RLC submits that PC 10 should therefore enable nitrogen trading to commence as soon as the relevant amendments to the Regional Plan are deemed operative under section 86F of the RMA.</p>

6 12 to 15 19	LR P9 LR R1 to R7 & LR R13	Support in principle	Amend LR P9 and LR R1 to R7 and R13 to give effect to RLC's submissions.	RLC recognises that during the consultation to date there has been significant angst from smaller land holders regarding the application of rules to them. RLC supports LR P9 and its accompanying rules in principle as far as they allow for reduced and more appropriate compliance costs for smaller land holders, subject to the final amendments to the Regional Plan resulting from PC 10 must allow the Rotorua communities to continue to provide for their social, cultural and economic well-being.
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From: rules
To: ["Paulina Wilhelm"](mailto:Paulina.Wilhelm@rotorualc.nz)
Cc: ["aimee.mcgregor@rotorualc.nz"](mailto:aimee.mcgregor@rotorualc.nz)
Subject: RE: Final RLC submission on PC10.docx
Date: Wednesday, 4 May 2016 4:44:00 p.m.

Good afternoon Paulina. Thank you for your email.

This is to confirm that the Bay of Plenty Regional Council received your submission on Proposed Plan Change 10 on 28 April 2016. Your submission is now considered late by the Bay of Plenty Regional Council as the draft submission was withdrawn and the amended version received after the closing time of the submission period (4.00pm, 27 April 2016). However the Water Policy Manager, under delegated authority, has decided to accept your submission pursuant to section 37A(1) of the Resource Management Act. It has been noted that you wish to be heard in support of your submission.

Under Clause 7(1) of Schedule 1 of the Resource Management Act 1991, staff will prepare a summary of all submissions and publicly notify its availability. A copy of the public notice will be sent to you. Any person (including you) will then have the opportunity to make a further submission in support of, or in opposition to, any of the original submissions.

If any change is required to your contact details, please let me know.

Regards
Sue

Sue Simpson | Planning Coordinator | Bay of Plenty Regional Council | Tauranga, New Zealand |
Ph: 0800 884 881 Ext. 8318 | Web: www.boprc.govt.nz
Please consider the environment before printing this email

From: Paulina Wilhelm [mailto:Paulina.Wilhelm@rotorualc.nz]
Sent: Thursday, 28 April 2016 8:37 a.m.
To: rules
Subject: Final RLC submission on PC10.docx

Good morning,

Please find attached RLC submission to PC10.
Apologies for the lateness. I was unable to deliver this yesterday afternoon.

Kind Regards,
Paulina

**This e-mail message has been swept for viruses and none was found.
Content was not checked**
