

**Submission form**

Submission number

*Office use only*

<b>Post:</b> The Chief Executive Bay of Plenty Regional Council PO Box 364 Whakatāne 3158	<b>or Fax:</b> 0800 884 882	<b>or email:</b> rules@boprc.govt.nz
--	-----------------------------	--------------------------------------

**Submitter name:** Max Douglas

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

- 1 I **could not** gain an advantage in trade competition through this submission.
  - (a) I **am** directly affected by an effect of the subject matter of the submission that adversely affects the environment, and
  - (b) My submission **does not** relate to trade competition or the effects of trade competition.
- 2 The details of my submission are in the following pages.
- 3 I **wish** to be heard in support of my submission.
- 4 If others make a similar submission, I will consider presenting a joint case with them at a hearing.

Date: 27 April 2016

**Address for service of submitter:**

910 Te Waerenga Rd,  
Kaharoa,  
RD6  
Rotorua 3096

**Telephone:****Daytime:** 07 3323369**Email:**

max.douglas@gmail.com

## Submission Points:

### Conservation:

In this document, I have used the noun conservation to refer to land that is forestry/bush/scrub.

### First Choice: Current Rules for a Notice Period, before a Long Term Clean Lake Solution

Page	Reference	Support/ Oppose
5	LR P3	Oppose
5	LR P4	Oppose
6	LR P5	Oppose
6	LR P6	Oppose

### Decision Sought:

- use the proposed rules, and current process, as a starting point for interim rules, active until 2037 (one full generation)

See: Appendix A.1 Temporary NDA

- develop a long term set of rules as a separate process following this one, to become active in 2037 (caveat: a science/engineering solution is not found). For example:
  - [for blocks less than 5 hectares, a rolling over of something similar to the proposed rules for less than 5 hectares, with reduction mechanisms/thresholds thought through and defined]
  - Immediate 2037 reduction of pastoral NDA to the drystock average (heritage and indigenous should already be below this target, see below)
  - immediate 2037 increase of conservation NDA
  - a mechanism defined for the on going reduction of pastoral NDA, allowing land use to change: rural -> semi rural -> urban
  - work through options/limitations around development of conservation land suitable for pastoral production, eg. moving NDA from “poor” pastoral land to “good” conservation land
- develop a set of concessions to support, and provide compensation for, the shutting down of intensive/commercial pastoral farming in the catchment. For example:
  - local and regional government rates frozen till perpetuity
  - reinstatement of retirement dwellings as rural norm
  - sub division development rights passed through rural land owners inside the catchment as compensation (eg. the retirement of land for development rights)
- add a Heritage farming operation to the list of 2017 permitted activities where land owners incentivised into early adoption of a significantly reduced NDA,
  - see Appendix: A.4. Heritage Farming
  - rates relief for early adoption, for example, reductions of: 50% in 2017, 45% in 2019, 40% in 2021, ... .
- add an Indigenous farming operation to the list of 2017 permitted activities where land owners incentivised into adopting low intensity farming practices, for example:
  - see Appendix: A.5. Indigenous Farming
  - rates relief for early adoption: see above.

- where land owners work the land, allowances made to give them time to do land conversion. Ie. land owners working the land, not paying someone else to. Particularly farmers operating under the Heritage or Indigenous classifications. For example:
  - use of livestock to control weeds during establishment years
  - time to raising seedlings and plant out hills
  - reasonable time allocated to conversion of larger blocks, eg. decade(s)

#### Reasons:

- For Temporary NDA, see: Appendix A.1 Temporary NDA
- the 435 tonnes per annum is a limit, not a target:
  - farming should not be trying to hit 435 as a target assigning all of it to themselves
  - being as dirty as possible is not managing a resource
  - setting all conservation land to an NDA of zero above rainfall, immediately and until perpetuity, is unreasonable. Someone owning a block of forestry technically couldn't start a vegetable garden for personal use, as it would push them over their NDA. That is absurd. Ownership of "normal" land should include some basic rights, including the option to feed yourself from a vegie garden.
- for years we, as farmers, heard stories and rumours of farming in polluting the waterways and the land. Decades ago it was met with public scepticism. The people delivering the messages written off as scaremongers, or greenies with no clue. Over time pollution has crept into the language and dialog from science and governance. Now it's the position of science: animal urine is moving past the soil and leaching N into the water ways. It crept on us, without policy makers or industry doing anything about it. There is other water pollution and land contamination occurring as well.

Still, we carry on. Now, finally, rules are getting imposed. We aren't claiming we're clean, or green, we're trying to allocate pollution rights to ourselves. We're saying you can pour alum into the lake meet the metrics, ie. we want to game the metrics rather than reduce pollution. The problem is practically kicking our doors in, and still we don't want to face it.

I never signed on to pollute the lake to make living. I don't believe many farmers are willing to pollute the lake to earn an income. It is unfair that one generation is now facing the music for decades of pollution; not just rural pollution either, raw sewerage was pumped into the lake for years. Unfortunately, someone has to face it, it seems like we are having to, we obviously don't like it, but we may as well be serious about it.

The worst outcome would be pussy footing around the problem only to have to repeat all of this again in 20 years. The solution needs to face facts:

- urban and semi rural development exists
- environment issues around the region, the country and the planet are growing

It is likely that farming is going to get phased out of the catchment, especially as the urban and semi rural populations climb. The proposed rules do not consider the changing demographic of the catchment.

- recognition of conservation land. The option(s) above give a minimal recognition for 20 years, and leave it to 2037 rules to be developed where some of the NDA removed from pastoral is transferred to conservation allocation:
  - heritage blocks recognise already retired or undeveloped land in the potential for a slight increase in NDA (ie. existing conservation not completely zero rated)
  - indigenous blocks only look at ideal land, meaning someone with retired hills in treated the same as someone with pastured hills that have to be retired

- the proposed rules are slanted heavily in favour of trying to establish the status quo created by opting for a Rule 11 as a baseline for pollution allocation.

There are obvious points of views that can be taken to promote this as in line with RPS, Policy WL 5B points:

- (b) Extent of the immediate impact;
- (g) Existing land use;
- (h) Existing on farm capital investment; and

Similarly there are easy points of view that indicate this is not in line with RPS, Policy WL 5B points:

- (a) Equity/fairness, including intergenerational equity;
- (e) Cultural values;
- (f) Resource use efficiency;

The reasons that line up with the RPS are about “existing” and “immediate”. Consideration for “existing” is in line with the RPS, but locking them in as a long term baseline is not.

This option allows high polluters (if they are still running those operations) keep operating for a generation. In the meantime, there is the opportunity to set out rules the next generation will face, and provide a generation long preface of what allocations will look like when high polluting rights expire.

- the proposed rules attempt to divvy up ALL the available pollution rights, giving a higher proportion to the bigger polluters. The approach assumes that everyone is trying to pollute as much as possible, which results in non polluters, and farmers that have reduced their pollution, being assigned fewer pollutions rights. This is an assumption that they were not actively conserving, which is incorrect.
- the process that developed these rules is described as collaborative and the community was consulted. It wasn't made clear that the primary polluters collective was engaged to represent the wider community as the collaborative approach. Post this collaborative approach with the collective and some industry representation, and there was a consultative engagement when all rural land owners were notified and engaged.

From that starting point, I have been catching up on the issues and background. For myself, it is only as I prepare this submission against the draft rules that I think I am starting to get an idea of what is going on, what the issues are and what is important, both subjectively and objectively. But even now it is not complete, I have a lot of unanswered questions and there are issues I am not aware of or don't fully appreciate.

There is no way my initial feedback to the consultative engagement is a fair representation of my opinion of the issues now that I have a better understanding. In regard to the collaborative engagement, I have not been engaged collaboratively and I do not believe many people outside of the collective have.

This puts myself, and I believe a lot of others, at a huge disadvantage when providing input into this process.

We need to be given more time. Especially time to consider something as big as this. The solution I have described above is:

- an actual solution to the problem
- a huge shift of financial wealth away from rural land owners

It takes time to pause and consider what we are in the middle of. Especially with the amount of information to process and the fact this process will erode capital values and undermine our ability to

make a profit from working the land in the ways we already know: livestock. The threat of losing capital value and income is very in your face and hard to look past. If you can look past it, there is an option, that if it can be made to work, can create a real fork in the road and put the lake and catchment on track to environmental health, if not economic health as well. There are challenges and problems though, some are outlined below.

We are in a bit of an envious position regarding the lake. There is no one upstream of us that we have to deal with. All of the pollution is coming from local sources. If we decide to clean up the lake, we can.

The idea is to, as part of developing the set of rules to replace the temporary rules in 2037, have farming voluntarily wind itself down in regard to the discharge of pollution, against the 2037 deadline. It would mark the end of farming as we currently know it. The results would be above and beyond both the current Rule 11 and the proposed rules. Some of the affects include:

- loss of capital position for pastoral farmers / land owners
- loss of the ability to generate current levels of income from pastoral farming
- massive drop in contaminants entering the waterways, including N into the lake

This would represent a stance by rural land owners to put the lake before profits and capital value. That is a lot of give for farmers to make, it is not going to happen without some concessions from those with the political will to support it and those who would reap the biggest benefits of:

- a green stance taken by farmers in the catchment
- a determined effort that would clean up all waterways in the catchment, including the lake

The ability to generate an income from livestock, as we know it today, will disappear with large pollution reductions. It's not just "dairy", its:

- large female animals: deer, cattle, horses
- intensification through inputs, eg. dairy, horse blocks
- cropping, commercial horticulture

Ie. its not a matter of reducing stock numbers and doing something else with the land, as most of the proven sources of income are not low effluent solutions.

Farmers could task the district council (and regional) with matching them. Real commitments in key areas:

- sewerage treatment and sewerage reticulation over a wider area
- green issues: taking a green stance on pesticides/herbicides
- 1080, and similar, free zone
- support for alternative, eco friendly, development and industry
- reducing pollution in the city: large/gaudy signage everywhere, restrictions on noise pollution

By doing this, farmers would arm the city, and in particular the district council and the tourism industry with some key marketing points:

- Rotorua farmers have taken a clean green stance for land use in the catchment
- lake Rotorua is going to be cleaned up
- Rotorua is eco-friendly and open to alternative development

Recently there have been articles in the daily post promoting Rotorua as a city to invest in residential properties. The compliant by the real estate agents is that Rotorua property prices lag behind similar cities by approximately 100K and they don't know why. I think they do know why, they just don't want to go on record in an article aimed at attracting potential buyers to Rotorua. The lake was, and still is in many ways, the local sewer.

The potential local gains from cleaning up the lake are enormous. The blue sky of \$100k per property indicates a billion dollars (10,000 houses times \$100,000 capital gains ) in value. Even a fraction of this is a huge gain for locals, and that is residential, other areas could benefit even more.

As a note, there are a few groups that would be disadvantaged:

- people trying to enter the housing market
- renters

So, who are the big gainers in starting with a Rotorua is cleaning up the lake and ending with a clean lake solution:

- the entire tourism industry, especially lakeside and lakefront developments
- lake front properties
- anyone owning multiple properties, particularly landlords
- and finally local businesses and people who own their own house

Those gains are the lure for concessions, eg. the lake, the economy and land values. What do rural land owners want to offset the transfer of wealth from their pockets into the city? That needs to be worked through with the community, collaboratively, assuming this option even got that far.

Right now, we are at a point in time where staff at the BoPRC are aware the impact the proposed rules are going to have on farming in the catchment. There has been collaborative engagement, a consultation process and land management officers have been made available. On the district council side, they have been involved working with the BoPRC and the district plan has a clause around 10 hectares of land retirement earning a development right. There is a political will to act and a level of staff awareness that may not be available again. Compensation schemes have already been put forward that cut across regional and local government.

Amongst the rural community, we are more educated on these issues than we have ever been. The shape of the proposed rules has been outlined. We can look at them and make a decision about the path something like the proposed could take us down. Personally, I don't see a future in:

- the compliance costs of the proposed rules, especially as income and capital are eroded
- the paper work and especially having consultants, or even just BoPRC inspectors come onto the farm to do Overseer files
- static targets that going to get put under pressure in the future
- the risk of having to go through all of this again
- etc. I'm not going to elaborate on all the reasons while I think farmers in the catchment should consider this; I think that's a discussion to be had with the rural community

Doing what I've described above will take time. I'm not optimistic about it being accepted by rural land owners. If it is accepted and worked through, and a workable set of concessions and incentives settled upon, this solution has the following benefits:

- a plan in place for an ongoing pollution reduction
- farmers know what the future landscape of nutrient reduction will look like
- land use change in the catchment away from intensive/commercial farming, to a catchment wide eco friendly land use
- local community can prosper through:
  - exporting tourism instead of meat and milk
  - residential land values improve
  - lake and waterways available for recreation

Give us time by:

- making the proposed rules temporary and
- repeating the process under collaboration with a wider group of people from the community

Note: there is no guarantee repeating the process is going to result in farmers volunteering to wind pollution way back, that is just what I want try.

### Second Choice: Dual Sector Allocation with Nitrogen Trading – Pastoral and Conservation

Page	Reference	Support/ Oppose
5	LR P3	Oppose
5	LR P4	
6	LR P5	
6	LR P6	

#### Decision Sought:

- use the proposed rules and current process as a starting point for interim rules, active until 2037 (one full generation)

For a full description see: Appendix A.1 Temporary NDA

- develop a long term allocation methodology with a split between two sectors of land use: pastoral and conservation, with:
  - easy trading of NDA an exchange
  - as temporary NDA expire, they are transferred to the conservation sector
  - conservation land is allowed to consolidate their NDA for small scale non pastoral land use, possible examples:
    - accommodate a dwelling
    - small scale nursery, gardening, etc. Ie. working on the land while locked out of pastoral farming and other high N leaching activities
  - majority of conservation NDA on the trading exchange to generate a supply
- For example, here are some fictitious numbers, real numbers would have to be worked through with BoPRC staff based on distribution of land usage and the totals assigned to above average NDA that have not already expired.
  - pastoral sector: 18
  - conservation: 9 (6)

Initially, conservation land can only lease away NDA from 9 down to 6. The gap between 6 and rainfall (3) is the allocation given out to as temporary NDA to the pastoral sector, ie. conservation will eventually be able to trade down to 3. As temporary allocations expire, the lower limit moves closer to 3.

I don't know what real numbers would look like. If the temporary allocation ends up to high compared to the pastoral sector, conservation could easily be: 18 (15). If that happened, increasing the pastoral sector base line could be appropriate.

The intent of this suggestion isn't to fully compensate forestry back up to an even stevens allocation that suggests they convert to pasture; allowing mass conversion of conservation land to pasture is going in the wrong direction. The suggestion is to provide some compensation via the trading of NDA.

#### Reasons:

- For Temporary NDA, see: Appendix A.1 Temporary NDA
- See Appendix A.2. Sector Averaging: Flaws in the Decision Making Process

- See Appendix: A.6. Trade of NDA

### Third Choice: Second Collaborative Process and Alternative Rules

Page	Reference	Support/ Oppose
5	LR P3	Oppose
5	LR P4	
6	LR P5	
6	LR P6	

#### Decision Sought:

- classify the proposed rules as commercial rules for those that wish to remain under a commercially focused set of rules
- allow the commercials to push forward, with those rules
- 
- attempt to engage a group of land owners who are actively, or willing to actively, engage in conservation efforts to clean up the lake
- land owners can opt into developing a lifestyle set of rules, where indicatively:
  - open to solutions that don't take a status quo approach
  - individuals could face bigger NDA reductions
  - can accept that the average NDA is lower, as commercial have already assigned themselves a higher average NDA
- repeat the collaborative approach that was done with the commercial interests in the StAG, by engaging lifestyle land owners, and having them come up with preferred solutions to the problems, from which a second consultation/notification can proceed
- in general keep the StAG away from lifestyle collaboration, ie. let the lifestyle process work through without commercial and industry interference. For example:
  - StAG members can be drawn on for advice/insight, but members of StAG have had "their turn" and kept out of the new group
  - transparency around who are collective members, particularly those who were involved behind the scenes in the collectives input into the StAG process (as suggested by the Milkman's Paradox)
- encourage the BoPRC to agree to, and adopt, a change in their protocol on engaging communities, such as ours, and those around the other lake and river catchments that are going to go through a similar process, so:
  - non commercial interests are included collaborative approaches
  - those already contributing to reduced pollution aren't written off with a zero ratings
  - small land owners who may think they aren't going to be effected are fore warned and engaged

#### Reasons:

- to see a set of rules developed by people who aren't trying to defend their financial positions and more willing to try to clean up the lake
- minimises cost by tail gating behind the current StAG process
- most non commercial is smaller blocks are a permitted activity at least until 2022
- the proposed rules are focused on a commercial status quo that are not in line with the values of non commercial and semi commercial rural land owners interested in conservation. For example:
  - maximising pollution:
    - a decision was made to use the Rule 11 pollution limits as a baseline



- a grand parenting approach sees the high polluters retain high pollution rights
- minimising conservation:
  - conservation land is assigned a zero above rainfall allocation meaning that nothing other than forestry can be done with it. The land owner couldn't even raise some food, engage in low N industry if it raised them above a rainfall discharge. They can't even live off their land.
  - there is no consideration for retired land to count towards reduction targets. Eg. a farmer who had retired land prior the Rule 11 benchmark period is assigned a zero above rainfall NDA allocation for that land
- the proposed rules are offensive to those who could be considered "friends of the lake" or "friends of the environment". They are a slap face for those already engaging in conservation, zero rating their efforts and disabling their involvement in continued conservation.

For those willing to reduce pollution (and those that have already) the rules, and the collaborative approach focused on commercial land use and pastoral industry representation, highlight the willingness of iwi, local government and regional government to get behind a set of rules that:

- claim to be about reducing pollution and cleaning up the lake,
- while assigning pollution rights to those showing the highest likelihood to use it,
- while spending \$40 million of rate and tax payer money backing said scheme,
- these rules are not by people who are friends of the lake and they are not for people who are friends of the lake. Let the people that made the proposed rules have the proposed rules. Let those who are not focused on commercial land use before conservation, work with those who are environmentally focused, and small block owners, to try to come up with a set of rules for that group, that highlight, and serve as an example of what the rules could have looked like. To:
  - serve as an example to iwi, local council and regional council that commercial interests do not represent the wider communities values
  - build a wider awareness with the councils of the issues faced and values of the wider community
  - give the BoPRC an opportunity to work through the issues of dealing with a group of people who:
    - can't be lumped into big sector groups
    - don't have common backgrounds
    - aren't unified behind the notion of money before the environment
  - be a template as the cleaning up of other lakes occurs, for other communities to work from
  - stop the commercially rules being held up as the way things should be done in lieu of no other examples of how to do it
- there has been too much commercial representation during the collaborative approach, compared to the actual make up of rural land ownership in the catchment, for the rules to be a fair representation of the wider community. Flicking through StAG minutes, you quickly see attendance from:
  - Federated Farmers
  - Beef and Lamb NZ
  - Dairy NZ
  - the collective

The collective in particular regularly has three or more StAG representatives present. And after having a collaborative engagement, they are re-engaging in submission process opposing

parts of the rules and in the case of the collective back tracking on prior agreements, see appendix: A.3. The Collective: Collaborative and Confrontational

The rules were “made up”, but not with adequate representation from the wider rural community.

### Zero Rating Conservation Land

#### Decision Sought:

- assign conservation land a non zero NDA where:
  - conservation land is: forestry, bush, scrub, etc
  - non zero means a number above rainfall, ie higher than 3
  - have this non zero allocation an absolute lower limit
- apply the lower limit to:
  - existing conservation land
  - how much NDA can be sold to incentive schemes
  - how much NDA can be traded to other properties or for development rights
- develop a set of temporary low end NDA numbers, or use something like the following:
  - first 10 hectares: NDA 6
  - next 20 hectares: NDA 5
  - the rest: NDA 4
- develop a target set of long term target numbers, or something like:
  - first 10 hectares: NDA 12
  - next 20 hectares: NDA 9
  - the rest: NDA 6
- balance these numbers by bringing down the NDA assigned to the highest polluters

#### Reasons:

- zero rating land set aside for conservation immediately removes the ability of those engaged in conservation to reduce N discharge and affect the total N pollution entering the lake. It disarms those that could be friends of the lake, removing their choice in the issue. The more they are allocated, the more they are able to exercise their will to conserve.
- in the case where someone owns a property that is completely conservation land, they have no facility to undertake any activity on that land other than forestry.

This is too extreme, especially in the situation where rules are being set up that are until perpetuity. It means the owner of a pure conservation block is prohibited from basic land use even if only creates minimal extra N discharge:

- producing food for personal use. They can't even grow food.
- clearing an area to use for small low N hobbies/projects
- creating a picnic area with grass on it
- riding horses through it

Ownership of land should include a basic right to use the land without feeling like rules are being broken or having to ask permission or apply for exemptions.

Even if it is a land owner choice, entering land into trusts/covenants/etc, the lowest limit of NDA left behind does not need to be zero above rainfall.

- where blocks are a mix of conservation land and pastoral land, the conservation land does not provide the land owner any credit towards meeting N reductions under the proposed rules. This is unfair.
- conservation land has not been contributing to pollution throughout the rule 11 period and in general for a long time before hand. Conservation land is not the problem. Farming, especially intensified pastoral farming is the problem. Don't put a 100% penalty on conservation land.

The proposed distribution of NDA locks land that didn't cause the problem into the lowest levels of economic activity while giving as much as possible to the biggest causers of the problem. This is not in line with the cultural values of the wider community.

#### Use of Overseer for Compliance

Page	Reference	Support/ Oppose	Decision Sought
5	LR P3 LR P3 (c)	Oppose Oppose	<u>To recognise that this sentence doesn't mean anything in the balance between simplicity and the use of counting and basic arithmetic in the management of nitrogen within the Lake Rotorua groundwater catchment by using:</u> (a) the 435 tonne sustainable annual nitrogen load for Lake Rotorua from the operative Regional Policy Statement Policy WL 3B(c); (b) the 755 tonne load to Lake Rotorua estimated by the ROTAN model in 2011 as the position from which nitrogen loss reductions will be determined; (c) <u>stock numbers for allowance and allocation purposes; and</u> (d) the pastoral sector reductions within the Integrated Framework approach
5	LR P4 (iv)	Oppose	<u>the use of counting, addition and perhaps multiplication, for proportional reductions</u>
7	LR P13	Oppose	<delete>
7	LR P14	Oppose	<u>Allow commercial operations that want to optimise the use of their land by engaging more advanced tools, where they pass a science due diligence tests the prove they are fit for purpose. Tools such as:</u> - <u>Overseer</u>
14	LR R7 (a)	Oppose	Change this to a default policy of using a stocking allocation and a stocking table that is calibrated by BoPRC inspectors. The calibration can be Overseer, that is however the business the BoPRC, not the land owners.  Retain the existing text as an option land owners may choose to engage.
15	LR R8 (ii)	Oppose	<delete>
15	LR R8 (iv)	Oppose	<delete>
16	LR R9	Oppose	Change: provide a low intensity farming option that runs off stocking tables with minimal compliance costs and paperwork with no Overseer.
	All of Above	Oppose	Stop putting Overseer forward as the default compliance tool. Provide options to use a reduced stocking allocation, with Overseer available to BoPRC inspectors to calibrate the stocking table they want to.
	All of Above	Oppose	Use Overseer as tool to calibrate a stocking allocation against a specific site if required, ie. to produce a property specific stocking table or scaling factor against a standard table.

## Reasons:

- the purpose of this exercise is to reduce N pollution. Requiring us to use Overseer does not do that. Forcing the use of Overseer does:
  - increase compliance costs
  - erode the rural lifestyle with paperwork and consultants
- this stuff is absolute overkill for non commercial land owners and possibly for most commercial land owners. The stuff that is being described under use of Overseer and NMP's is out of this world compared to what we have to do for anything else as a basic pastoral farmer.
- Here is a list of things I can do without requiring "suitably qualified" consultants with 5 years experience:
  - fill out my own tax returns as a sole trader or in a partnership, including the full set of accounts for a farm
  - pass some tests and be allowed to:
    - store and administer sedatives intravenously to dangerous livestock
    - bait and poison Wasp's
    - sign a DECA with AssureQuality to monitor and control AFB in beehives under the BioSecurities Act

We are trusted by the central government to handle dangerous drugs and poisons, to meet BioSecurity requirements and fill in tax returns. These rules are telling us we can't be trusted to count stock and keep weeds under control? These rules need to be brought in line with the real world.

- Overseer files are useful for enterprises trying to optimise the use of their NDA. It is not worth the cost (time or money) for most rural land owners.
- Using a standard stocking table with a site specific scaling factor is a simpler approach. The stocking table can underestimate the stocking as a margin of error factor that is reduced when by a (Overseer) calibration, ie. most calibrations should result in a scaling factor > 1.0.

Low Intensity Farming

Page	Reference	Support/ Oppose	Decision Sought
14	LR R7	Support	
14	LR R7 (a)	Oppose	Overseer and NMP compliance from BoPRC agents

## Reasons:

- at the intensity given, there is a net gain for the lake with NDA not being used. It could be sold or traded, but it is not. As a compensation, if Overseer/NMP's is forced upon these operations, have BoPRC agents run Overseer and work through the NMP's with the land owners.
- creates a connection between land owners willing to run at a low intensity and BoPRC staff

Heritage and Indigenous Farming

Page	Reference	Support/ Oppose	Decision Sought
14	LR R7.1	na	Insertion of a Heritage farming operation to the list of 2017 permitted activities where land owners adopt significantly reduced NDA.  See Appendix: A.4. Heritage Farming
14	LR R7.2	na	Insertion of an Indigenous farming operation to the list of 2017 permitted activities where land owners adopt reduced NDA.  See Appendix: A.5. Indigenous Farming

Misrepresentation of the Integrated Framework

Page	Reference	Support/ Oppose	Decision Sought
2	Table LR 1	Oppose	Remove the split in the 140 tN/yr into one number for dairy and one number for drystock. Direct those disseminating information to the public to stop misrepresenting the Integrated Framework.

## Reasons:

- I have been told by staff and BoPRC the integrated framework does not have dual sectors targets. The splitting into two sectors appears to be a decision made later by the StAG. It seems to first appear in numbers first presented in: Farmer Solutions Project  
<http://www.rotorualakes.co.nz/vdb/document/363>

The two numbers (96 and 44 tN/yr) are not a part of the integrated framework, the split comes from the analysis work carried out by, or on behalf of, the StAG. Presenting it as the Integrated Framework is misleading and has been misleading for me as I try to move from an uninformed state to a less uninformed state.

Objections to Grand Parenting from Rule 11 Baseline

At various points I promote solutions where above average NDA is temporary. I am opposed to using grand parenting and grand parenting based methodologies to assign NDA. I am opposed to using the Rule 11 benchmarks as the starting points for allocation.

Page	Reference	Support/ Oppose	Decision Sought
3	Table LR 3	Oppose	Remove “(Integrated Framework)” from the third title heading.
2	Table LR 2	Oppose	Consolidate this into a single sector: pastoral
3	Table LR 3	Oppose	Consolidate dairy and drystock into a single sector: pastoral
5	LR P3 (d)	Support	
6	LR P5	Oppose	Consolidate dairy and drystock into a single sector: pastoral. Pastoral treated as a single sector with a single NDA, with a temporary (20 year) consideration given for high N leaching platforms. eg. dairy farming. After 20 years, a shift to a more balanced split between pastoral and conservation (forest/bush/scrub) allocations.

## Reasons:

- the Integrated Framework does not split loads or reductions into two sectors. See above: Misrepresentation of the Integrated Framework.
- the 3<sup>rd</sup> column of Table LR 3 gives the uninformed reader the impression that the dairy sector already has a higher allocation, either a historic allocation or perhaps from the agreement to use the Integrated Framework.

That is not the case, the decision to use Rule 11 as a starting point is a decision made as a part of the process that developed the proposed rules. Agreeing with the Integrated Framework does not mean agreeing with a Rule 11 baseline. There is no historic allocation of N discharge rights that have to be used as a starting point.

- Rule 11 is not the starting point for the process that developed these proposed rules and sector based allocations are not a part of the integrated framework. The decision to use Rule 11 as the baseline and grand parent from there was a decision made as a part of the process that developed these rules
- the baseline period is chosen because data was available for that time period for some of the larger properties. It is based on the availability of data, not because its considered a representative period of time
- Rule 11 assigns a zero above rainfall to conservation land. This is unfair and the development of these rules is an opportunity to undo that unfairness:
  - conservation land that has not been causing the problem, but is locked out of all future development without compensation for lost opportunity
  - land actively retired, or actively not developed, land ownership as a conservation effort, becomes a zero rated conservation effort. The potential NDA reduction is transferred to polluting sectors, allowing them to pollute more. This disables the ability of land owners who committed to conservation prior to the benchmarking period to reduce pollution. It is not fair or reasonable to assign zero N discharge rights to land actively not polluting.
- there is some logic in letting farmers who have made capital investment based off the Rule 11 baseline, have the use of that investment, but that does not require an until perpetuity allocation of extra pollution rights. An expiring temporary allocation is more fair. See Appendix: A.1. Temporary NDA.
- transferring NDA to the conservation sector creates an immediate N trading pool by those who choose not to conserve, to smooth the transition as temporary allocations expire
- in the long term, creating a N trading market is a more dynamic solution that moves naturally. See Appendix: A.6. Trade of NDA.

#### Effective Pastoral Land

Page	Reference	Support/ Oppose	Decision Sought
6	LR P9	Oppose	Change the land area limits to only consider pastoral land. Ie. conservation land is not considered when categorising land into the area ranges. For example: LR P9 (c) The use of land for farming activities on properties/farming enterprises <u>with</u> 5 hectares or less in area <u>in pasture</u> from 1 July 2017 provided there is no intensive land use.
7	LR P10	Oppose	
7	LR P15	Oppose	

#### Reasons:

- seems like an oversight in the wording of the rules, or I'm reading them wrong
- does anyone really want to categorise a block with 50 hectares of bush a 3 hectare house site into the 40+ pastoral category requiring resource consents, etc?

### Relocating Pastoral Classification

Page	Reference	Support/ Oppose	Decision Sought
na	<new clause>	na	Add a mechanism for pastoral land classification to be moved. Not a mechanism to increase total pasture, just relocate it to more suitable sites.

#### Reason:

- in the short term, allowing conservation to change to pasture is not useful, pastoral land currently in poor locations is a prime candidate for incentive schemes promoting the retirement of land.

After the incentives schemes run out/meet their goals, pasture remaining on poor sites should be able to be gradually transferred to more suitable locations on land is classified as conservation.

### Science Drowning in Water

Page	Reference	Support/ Oppose
8	LR M2	Oppose

#### Decisions Sought:

- widen the scope of science to beyond just the lake, water, and water metrics
- under take studies with an aim to tell farmers how to make best use of the land available, including, but not limited to:
  - our soils:
    - how healthy are they: compaction, etc
    - how thick/depleted are they
    - are some sectors in a worse position than others
    - what are our cadmium contamination levels at
  - should we try to relocate pastoral land use:
    - which pastoral areas around the lake have the highest leaching rates
    - which conservation areas show the lowest leaching rates
  - are there stocking break points we could aim that avoid overloading the underlying biological systems
  - how are riparian zones performing and do they need to be improved

#### Reasons:

- farming has buried its head in the sand for decades saying we don't pollute. Clearly we do. Relying on our own industry best practices, our own industry representatives, information from vendors selling us products, and listening to central government science "advisors" has not been good enough for our particular situation: in the Rotorua lake catchment.
- it seems "we" are trying to keep the BoPRC well away from farming. For example: page 84 of the section 32 report:
 

Some options were eliminated as not being suitable for the Lake Rotorua catchment, such as allocation based on inputs or outputs. A key consideration was retaining flexibility for farmers to manage the adjustment to a low nitrogen leaching farming system, without the Regional Council "telling farmers how to farm". There was also a desire to encourage innovation within the pastoral sector.

I support the BoPRC having more input, especially science giving guidance and answering questions land owners may have about how to best use their land.

### The Incentives Scheme, Temporary NDA and Subdivision Rights

Page	Reference	Support/ Oppose
1 or na	Table LR 1 or na	na

#### Decisions Sought:

- mention the Incentives Scheme and District Plan Subdivision Rights in a description of external considerations so a set of points can be submitted against.
- guide the incentives scheme in purchasing temporary (20 year) NDA allocations, versus purchasing normal NDA. For example, using following guidelines and principles:
  - temporary NDA has been moved from conservation land to high pollution activities as a concession supporting Policy WL 5B: (b) (g) (h) and (i)
  - temporary NDA can be purchased at most, at a reduction, starting at 50% and diminishing each year, where:
    - the incentive payments go to the land owner selling the temporary NDA
    - half of the NDA goes to the incentives scheme with the other half going to the total available to conservation land (NB: this will affect the total available to conservation land after all temporary NDA has expired)
    - until the end of 2017 the price is 50%, then it drops to 45% till the end of 2019, and so on
- I am not informed when it comes to the state of the District Plan, but the Daily Post mentioned farmers being able to retire 10 hectares of land to get a development right from:
  - dairy to drystock
  - drystock to forestry

I'm not sure what the intention is behind this and how involved the BoPRC is with making this happen, but assuming the BoPRC is heavily involved then ...

1. retiring drystock land moves it to conservation land with a non zero NDA
2. retiring dairy goes to the bottom end of the pastoral range
3. if the intent is to recognise capital investment, then operations with high capital investment and high NDA should have:
  - a non onerous mechanism to apply to retire land down to the bottom of the pastoral sector range
  - the size of the retired land increased based on the proportional differences between their NDA and investment compared to the dairy average
  - a minimum land retirement of 10 hectares
4. if the intent is incentivise NDA reductions, then any land with a high NDA should be able to retire land proportionally larger than the 10 hectares based on the proportional difference between the NDA reductions of their land and average dairy sector land receives reducing to the bottom of the pastoral range.

Effectively, this turns the development right into costing:

- a minimum area of land (10 hectares) reducing their NDA to the bottom of the pastoral range



- and a minimum total N reduction

Perhaps the dairy/drystock/retired classifications aren't useful tools for defining the criteria of the development right scheme; area and N are enough.

#### Reasons:

- an example on how to move incorporate temporary NDA into the incentive schemes
- the incentive schemes and proposed rules should be cohesive
- in a set of rules where NDA allocations are temporary, holders of temporary NDA are not the owners that NDA. It is useful for the NDA to be released early though.
- may reduce barriers to closing down operations in exchange for incentives
- incentive schemes should aim to work with the rules, not getting created against a historic set of rules that are no longer in use or being proposed

#### Needs More Work Done

Page	Reference	Support/ Oppose	Decision Sought
all	all	Oppose	The following topics are almost a mixture of too hard and I have no idea what I'm talking about (lack of information). The proposed rules and options I've presented need more work done to consider them.

#### Topics:

##### Debt Level:

where a property passes due diligence checks and falls into a category (or range of categories) that indicate debt levels are high, do they need special consideration? Their ability to produce a farm gate profit can be extremely different compared to a low debt level or free hold operation as stocking rates are lowered.

In the case where they are new to the catchment (young people, or moved here recently), they haven't contributed to the pollution for as long, but they are likely the most effected, within their sector, by reductions in profit (when rules force them to reduce stock numbers, etc). Is that really fair, or is there a way they can be catered for?

##### Maori Land:

In some of the proposed changes I have put forward, there are models for non zero NDA to conservation land. The idea behind the numbers given is that there is a family unit behind that land, who may want to: grow food or experiment with some low N activities.

In the models that give a diminishing NDA based on the size of the block, this would disadvantage large blocks owned by iwi representing many family units. The numbers should change for these blocks. But how:

- reduce the rate the NDA diminishes linearly, or
- reduce the rate the NDA diminishes based on the size of the iwi, but how:
  - o linearly, or
  - o with a diminishing return

Needs Consideration

Page	Reference	Support/ Oppose
2	Table LR 1	Oppose

## Decision Sought:

- in the cases of land:
  - locked out of development or use due to imposed zoning and later unzoned, eg. land taken zoned for roading
  - taken for public works and later returned, eg. land taken for roads and later returned
  - gifted by Maori for public use/works
  - under historic long term leases

When the land is eventually returned to the original owner(s) a mechanism or guideline should be in place for it to receive a non zero NDA. Ideally, it would all be assigned a single catchment average NDA, but consideration could be given for:

- land in the city receiving a more urban NDA
- large blocks of land in forestry zones on poor sites, receiving more of a conservation NDA

## Reasons:

- intergenerational equity and fairness

## Appendices

### A.1. Temporary NDA

#### Decision Sought:

- any NDA above the drystock average is assigned to the operation on the land generating the excessive discharge as a temporary NDA to the operation, not a permanent NDA to the land itself
- during an interim period, the temporary NDA expires if:
  - the operation is shut down
  - permanent NDA is traded away, either to another property or for development rights
  - changing land use, as a proportion of the land that is changed:
    - selling N to the incentives scheme
    - subdivision
    - disposal of a land parcel. Ie. temporary NDA is not transferrable sub regions of the operation assigned the temporary NDA are sold/disposed.
    - establishment of additional dwellings
    - retirement of land in exchange for subdivision rights from the district council
- during an interim period, the temporary NDA may expire when land is sold, ie. the temporary NDA may not be transferrable. The decision on this is dependant on the duration of the interim period.
- at the end of the interim period, the temporary NDA expires. Eg. after 20 years.

#### Reasons:

- the high polluters:
  - have had the use of high pollution rights under Rule 11
  - are assigned the highest pollution rights in the proposed rules
  - are able to sell the pollution rights

This is against our cultural ideas of fairness:

- they have been eating the cake
- they get to finish eating the cake
- and they get to sell it too

The proposed rules are broken and should not assign the high polluters higher pollution rights to use and to sell as well.

- using Rule 11 as a baseline does not recognise historic land use and using a short benchmark period ignores:
  - boom and bust cycles in markets
  - peaks and troughs in farmers work cycles, for example:
    - farmers aging
    - injuries and illness
- with the rules being worked on at a time when dairy was experiencing a boom resulted in rules over valuing dairy. Attempts to assign land rights using grand parenting schemes, like the proposed rules, are fundamentally flawed with regard to history.
- the proposed rules use a grand parenting methodology to assign pollution rights. This seems illogical, but is actually in line with RPS, Policy WL 5B points:
  - (b) Extent of the immediate impact;
  - (g) Existing land use;
  - (h) Existing on farm capital investment; and

These policy points are about “existing” and “immediate”, making them statements relative to the present. There is no RPS requirement to have these considerations applied until perpetuity. A generation is long enough to consider present capital positions, land use and give farmers time to change.

- a subset of the rural community representing the majority of the commercial pastoral sector, has been involved a collaborative approach with the regional council. The process included iwi and some industry representation. The result of that process is the proposed rules. Once the proposed rules have been through the current process, they should be a good indicator to farmers, for what is to come in the short term.

The idea from the BoPRC was to work collaboratively with the most effected and that: “the best allocation system will be the one that is seen as being fair amongst those who are most affected”.

At a high level the rules:

- focus on a status quo
- ignore long term trends, particularly land use changing from rural -> semi rural -> urban
- aim to allocate, and leave allocated indefinitely, as much N pollution as possible amongst the current land parcels by:
  - taking the RPS upper limit as a target, not a limit
  - assuming a static rural population and demographic
- assign pollution rights to those showing the highest likelihood to pollute:
  - dairy farmers a special case sector
  - those with high pollution during the benchmark period
- zero rating conservation:
  - retired and undeveloped land assigned an NDA of zero above rainfall
  - forestry assigned an NDA of zero above rainfall
  - no recognition for active conservation
- try to keep science in the corner:
  - science is not a part of the policy, it is limited to supplying measurement tools: ROTAN for absolute numbers and Overseer for proportional reductions
  - science is not used to determine land use limits or land use change: land use and NDA being based on existing usage, with no investigation by science into a “best” usage and telling land owners how to use their land

These rules conflict with elements of RPS Policy WL 5B:

- (a) Equity/fairness, including intergenerational equity;
  - zero rating conservation (non polluting): a choice to retire land 5 years ago, would be post the benchmarking period, and the land assigned full pastoral NDA. This NDA could be held onto, and not used, contributing to the environment by reducing the total N into the lake. Land retired prior to the benchmarking period, receives a zero above rainfall NDA. This is not recognising the conservation efforts of previous generations, by zero rating their conservation and assigning the upper limit of N discharge to the pastoral sector
  - assuming a static rural population: already, outside of these rules, changes have been made to the district plan allowing for subdivision rights to be acquired by rural land owners. Every year more subdivisions occur. The pastoral sector can’t maintain a freeze on the advance of subdivisions. The allocation to pastoral use should be steadily reducing. Like it or not, reality is a shift from rural to semi rural to urban.
  - rolling over the Rule 11 baseline as a starting point does not recognise past land use. The baseline recognises land use over a short time period, ignoring what might have been happening within the current generation of land owners and current market. Examples of factors causing variations:

- an older farmer running lower numbers before moving to retirement
  - a younger farmer working hard and pouring on inputs trying to increase production
  - one sector in a boom, with a burst of high stock numbers and inputs
  - someone suffering an illness or injury
- (b) Extent of the immediate impact;
    - zero rating land set aside for conservation immediately removes the ability of those engaged in conservation to reduce the N discharge into the lake. The rules instantly zero rate historic conservation and assign all NDA to non conservation land use from the benchmark period. This covers all conservation land: retired farmland, undeveloped bush/scrub and forestry. The ability to exercise the option to conserve is immediately removed from those showing the highest likelihood to conserve and given to those who pollute the most.
  - (e) Cultural values;
    - zero rating conservation land takes the ability of land owners with the historic willingness to conserve away. That is not recognising their cultural values, it is disabling them.
  - (f) Resource use efficiency;
    - the proposed rules are about a status quo, which may be an efficient use of existing infrastructure. The rules do not assign the NDA to that infrastructure and land use (ie. the platform), they assign it to the land. Assigning the NDA to the land doesn't line up with this policy point.
    - As an example of how science may be able to provide direction. Without a long elaboration it seems:
      - science warned us a long time ago about N and farming
      - science has been warning us about eroding soil depth with fertiliser regimes
      - dairy farmers fertilise the most
      - the N in urine patches can't be absorbed because it overloads the soil
      - how much of a leap is it to want to compare the ability of dairy farm soils to absorb a urine patch versus land that has been farmed at a lower intensity
    - destroying a resource through pollution, or making it no longer fit for purpose is not managing or using a resource efficiently. Associated with these rules, has come changes to the district plan allowing rural land owners to acquire subdivision rights.

A study from the Waikato regional council in 2004 shows superphosphate application is contaminating dairy land with cadmium (a carcinogenic heavy metal), rendering it unsuitable for food production in a situations where land owners may eat food grown on their own land in large quantities, ie. in lifestyle blocks. In 2004, the study estimated 157,000 hectares of Waikato pastoral land to be over the 1mg/kg limit, meaning that land exceeded the the default limits for:

- agricultural soil
- human health protection limit for land being subdivided into residential or rural-residential land in the Waikato

See: <http://www.waikatoregion.govt.nz/PageFiles/11184/TR2005-51.pdf>

Continued intensification isn't just polluting the lake, it is contaminating the land. That is not "resource use efficiency".

- Side lining science is not "resource use efficiency". Science should be:
  - guiding policy decisions:
    - Mike Joy cannot be the only scientist in the country
  - giving direction to land use efficiency, for example:
    - what is the state of our soils

- have some soils been depleted (compaction and thinning) to the point they are poor in comparison to other soils in the catchment
- (g) Existing land use;
  - land set aside for conservation isn't not using N. It is actively withholding N from the lake, by not being used for pasture and not running farm animals. The rules attempt to ignore conservation as an active land use, and zero rate it with regard to pollution rights
  - traditionally farming has not been a static operation. Farmers have, and have been told to, change their operations as prices fluctuate and new markets open up, eg. ostriches, emus, wombles
- (h) Existing on farm capital investment; and
  - this objective can be met without rules that lock NDA until perpetuity, a single generation of usage (20 years) is enough to use the current capital investment and make plan for change.

The rules are (unfortunately) short sighted, working against a static set of numbers.

People who will lose out commercially if they lose pollution rights helped come up with a set of rules where they give up as few pollution rights as possible. The proposed rules are a short sighted attempt to maintain the status quo and are not focused on a solution to the problem of water quality.

They set a dangerous baseline where rules are determined in collaboration with commercial interests with no checks put in place to stop conservation being zero rated. Even in a process like this, where conservation is the driving factor.

Still, the proposed rules so far are not without use. They give a baseline for what the commercial dairy and dry stock representation think are workable numbers.

Accept the numbers an honest baseline for a temporary NDA acceptable to the commercial sectors. Use them to assign a temporary NDA for the current generation (next 20 years) giving recognition of current capital investments and land use.

So, with all their failings in how they were derived and how they distribute pollution rights, use them for what they can be used for. As interim rules covering points from Policy WL 5B:

- (b) Extent of the immediate impact;
- (g) Existing land use;
- (h) Existing on farm capital investment; and

- when someone is happy to reduce pollution, agrees that pollution should be reduced and has already undertaken conservation efforts, they only need a reduction target. They are already on the side the of the policy, taking action without rules forcing them to.

However, unless they are also running a high polluting operation, the proposed rules:

- assign them lower pollution rights while allocating more to high polluters
- even worse, zero rate any conservation work they've already done, allocating even more pollution rights to high polluters

Because of the process, the BoPRC has had to present the proposed rules and methodology to "conservation friendly" people, who have been put off by the rules. This is a strong indicator that the rules aren't a good fit with the "conservation friendly" community.

It's not hard to see why "conservation friendly" aren't supporting the rules: zero rating low polluters to give more to high polluters. It looks like an industry whitewash, with support from the BoPRC (and others).

It looks, from the outside, like the BoPRC are puppets of farmers trying to secure pollution rights from people willing to do the right thing (by the lake) or people that have already done the right thing. The BoPRC should be approaching people trying, or willing, to do good for the environment directly, not via a farmers advocacy group or farmers advocacy rules.

This is a disaster that:

- highlights the disparity between the rules and the values of other elements of the wider community
- needs to be rectified
- can be solved by moving the current rules to a temporary (20 year) allocation scheme

## A.2. Sector Averaging: Flaws in the Decision Making Process

aka: grand parenting

It takes time to find the information and then develop an understanding of what has happened, but here is what I have been able to garner.

Rule 11 is:

- a pure status quo approach
- not required to be the starting point for these rules
- what the current N usage limits are

With the BoPRC taking a collaborative approach, the community has an opportunity to undo any unfairness Rule 11 created. But a decision was made, early in the collaborative approach, to use Rule 11 as a baseline and reduce from there.

It did not need to be done that way, but this is not evident to the wider community from the consultation process or the section 32 report. In part this is because two things are presented at the same time:

- an option for the baseline of pollution rights
- reduction targets are described that follow on from the option chosen

Another group, repeating this process does not have to take Rule 11 benchmarks as the baseline for pollution rights. For example:

- interpret Rule 11 as:
  - the assignment of zero pollution rights to everyone
  - permitting the use of N discharge at levels as a temporary solution to:
    - see if the solution is viable in the long term
    - in line with: Policy WL 5B: (b) (g) (h) and (i)
    - easy to understand
    - easy/cost effective interim solution
- as part of the process developing these rules:
  - assign non zero N pollution rights to all land equally
  - permit N pollution at current levels for the next 20 years as:
    - notice period before big change
    - give land owners time to prepare
    - in line with: Policy WL 5B: (b) (g) (h) and (i)

Later in the process, when analysis are presented to highlight the most suitable allocation methodology, the baseline for comparisons of windfalls is rule 11 grandparenting (see table 8, page 84 of the section 32 report). Of course all the grandparenting methodologies immediately get a tick in not creating windfall gains, because grand parenting was chosen as the baseline.

This is not a valid evaluation criteria. The process assigned the grandparenting baseline then uses a windfall criteria that raises the profile of grandparenting methodologies.

Then, if you track the source of windfalls as a criteria, you find (page 81 of the section 32 report):

StAG considered the following additional principles for deciding the allocation method:

- No major windfalls for any sector.

The windfall criteria is also a decision made by the StAG. It's not a part of the RPS. It is easy to argue it is in line with the RPS around recognition of existing investment and economic impacts, but those criteria are already a part of table 8 (page 84 of the section 32 report).

### A.3. The Collective: Collaborative and Confrontational

The collective have put themselves forward as representing rural land owners and been involved in a collaborative approach via the StAG. They supported:

- using rule 11 as a baseline
- splitting pastoral into two sectors: dairy and drystock

From the section 32 report we have:

The Lake Rotorua Primary Producers Collective was formed in 2011 "To influence policy and farm practice that enables profitable farming, a prosperous community and a healthy lake". The group is represented in StAG and seeks to advance the interests of rural landowners facing major reductions in nutrient losses from their farms.

From the Oturoa Agreement, signed by the Collective, we have agreement as a whole and particularly (typed in):

7. The parties are committed to reducing nutrient emissions from land use in the catchment.

And now from the collective's website making recommendations to its members:

<http://www.rotoruafarmers.org.nz/collective-and-federated-farmers-submissions-on-the-proposed-rules/>

[begin quote]

The failure of policy makers to consider alternative combinations of nitrogen and phosphorus lake targets in combination with alum dosing, especially given:

- the unexpected success of alum in making the lake P limited
- the lake meeting its TLI 4.2 water quality target since 2012
- very long time lags before N regulations can make a difference in the lake

[end quote]

The collective have had the benefit of a highly collaborative approach through early representation in the process via the StAG.

Now, after the StAG has been closed down and the collaborative engagement has finished, the collective is encouraging its members to submit on points that specifically go against:

- agreements to reduce N pollution from the Oturoa agreement
- the rules they helped make



They are back tracking from the spirit of the collaborative approach.

#### A.4. Heritage Farming

This is retirement from commercial farming down to significantly reduced stocking rates that renders the land a glorified lifestyle block with regard to stock numbers. Enough stock to allow some management of vegetation and maintain the “air” of farming.

For example:

- farmers get:
  - treated as “friends of the lake/environment”, ie. collaboration before confrontation
  - when more reductions are asked for they come from higher polluting sources first
  - significant reductions in rates and compliance costs, including limitations on local taxation through other means
  - use of stocking tables with regional council “inspectors” responsible for calibrations (ie. overseer by BoPRC, not land owners)
  - easier to experiment with alternative land uses: tourism, eco friendly industry, etc
  - some flexibility around producing silage, letting grazers in for a few weeks and fallowing, to use excess biomass when in oversupply of pasture, ie. in good years
- dwellings:
  - depending on total size, somewhere between 2.5 and 5.0 hectares recognised as a “home” lifestyle block with its land use falling under standard lifestyle block rules
  - for properties over a certain size, support for a secondary “retirement” dwelling, same as “home” block, but smaller, between 1.0 and 2.5 hectares (for example)
- the rest of the land given a NDA of the lesser of:
  - one third the average drystock allocation over all of the land
  - one half the average drystock allocation over the pastured land
  - any already subsidised land (N sold to incentive scheme, or 10 hectare blocks used to acquire development rights) gets:
    - one third of pasture if it has retained a pasture classification
    - very little above rainfall if its NDA is below the minimum for pasture, ie. land owner doesn't get advantage from selling N below the minimum range for pasture
- no ability to sell/trade N

#### A.5. Indigenous Farming

This is a low intensity farming option, where the limits are based off targeting efficient land use. What rural NZ might have looked like if we hadn't gone crazy converting hills and swamps into pasture and using inputs to drive production (intensification).

Get input from science on what is “ideal” land use.

For example:

- farmers get: similar incentives and compensation as the heritage classification (see Appendix: A.4. Heritage Farming)
- semi retirement of non ideal land: hills, swamps, erosion prone
- pastoral operation continued on ideal (flat to rolling) land with input restrictions on:
  - fertiliser
  - feed brought in from off site sources
- stocking tables (with BoPRC inspectors doing calibrations if they want) used for compliance, based on drystock average over the ideal pastoral land.
- farming practices based around historic “natural” use of vegetation and the ability to work on the land:
  - use of semi retired land from time to time:
    - in winter to provide shelter for, and separation of, breeding stock giving birth

- stock can be put in to clean up undergrowth, boost animal health, etc
- stock can be put on to wind fallen trees
- minimal use of supplemental feed; reducing mortality not boosting production:
  - energy boost for breeding stock after giving birth
  - barn feeding during storms
  - recovering from sickness/injury
- minimal stock movement between properties, but allowed (even if rates temporarily go over stocking allocation) in limited situations:
  - use of lambs to eat off clover (which would bloat and kill cattle), rather than letting it go rank
  - control of diseases and parasites. Eg. sheep farmers allowed to rotate in cattle to control diseases and parasites (as per historic sheep/cattle eating off) and vice versa

#### A.6. Trade of NDA

##### Reasons:

- a free market allows NDA to move as the relative profitability of sectors changes
- recognition of existing capital investment and land use occur naturally as people make economic decisions about holding onto, or letting go of, NDA as relative profitability changes
- economic effects cause the natural capita approach to land use to happen naturally as the relative profitability of different locations encourages or discourages increased, or reduced, NDA use
- recognition of conservation by assigning it a non zero NDA, creates a background supply of NDA to be traded and provides an economic relief/incentive to conservation
- regulations can control manipulation of the market:
  - non land owners cannot purchase
  - cannot purchase above usable limits
- a special fund can be set up allowing non land owners to purchase NDA into retirement:
  - access at a penalty rate, making it expensive to strip land owners of NDA
  - a diminishing return on their purchasing power
  - this allows non land owners to put their money where their mouths are and buy away the use of N