

# Lake Rotorua Incentives Committee

## NOTICE IS GIVEN

that the next meeting of the **Lake Rotorua Incentives Committee** will be held in **Committee Room 1, Rotorua Lakes Council, Civic Administration Building, 1061 Haupapa Street, Rotorua** on:

---

**Wednesday, 5 April 2017 commencing at 9.30 am.**

---

Tea and coffee will be available on arrival from 9:00 am.

Mary-Anne Macleod  
Chief Executive  
29 March 2017





# Lake Rotorua Incentives Committee

## Terms of Reference

The objective of the Lake Rotorua Incentives Committee is to contribute to the improvement of Lake Rotorua water quality by achieving a 100 tonne reduction of nitrogen entering Lake Rotorua and ensuring this investment of Council is adequately protected in perpetuity.

It will achieve this by making sound financial decisions to secure permanent reductions in nitrogen discharges below the level of discharge established for properties and the catchment and by promoting and facilitating the up-take of profitable low nutrient land management and land use systems in the Lake Rotorua Groundwater Catchment.

The Committee members will be appointed by the Bay of Plenty Regional Council. While the Committee is made up primarily of independent appointees, the Committee will ensure its functions are integrated with Regional Council operations to deliver effectiveness and efficiency of operation, and ensure that its responsibilities as a Committee of Council are met.

### Delegated Function

The Committee will act on behalf of the Bay of Plenty Regional Council to:

- Achieve a permanent 100 tonne reduction of nitrogen entering Lake Rotorua from the Lake Rotorua groundwater catchment at the least cost in a manner that gives consideration to the economic impact on the wider community but within the budget of \$40 million and within the parameters of:
  - The Lake Rotorua Incentives Scheme Policy 2014; and
  - Approved annual Incentives Scheme budgets;
  - A comprehensive and professional business strategy, adopted and reviewed as necessary by the Committee.
- Negotiate agreements to reduce nitrogen and secure no exacerbation in phosphorous loss to Lake Rotorua on a willing buyer/willing seller basis;
- Promote and facilitate the up-take of profitable low nutrient land use and/or management practices to achieve the Committee objectives;
- Enter in to joint ventures or partnerships to achieve Committee objectives;
- Collaborate, coordinate and communicate with other relevant agencies, in-particular the Rotorua Te Arawa Lakes Programme Partners and the Rotorua Economic Development Agency;
- Ensure ongoing coordination with Proposed Plan Change 10 to the Regional Water and Land Plan and compatibility and integration with the Rotorua Te Arawa Lakes Programme;
- Adopt business rules for the operation of the Lake Rotorua Incentives Scheme to give effect to this Terms of Reference and ensure integration with the functions of, and compliance with the responsibilities of, Bay of Plenty Regional Council;

Report as follows:

- Progress to funding partners and the Rotorua Te Arawa Lakes Strategy Group on achieving the Lake Rotorua Incentives Scheme Policy and Strategy on a six month and annual basis, including budgeting information and projections;
- An annual strategic review of the project and progress in accordance this Terms of Reference, and report this to the funding partners and the Rotorua Te Arawa Lakes Strategy Group;
- Information as required by the Bay of Plenty Regional Council for audit, independent review or quality assurance purposes;
- As directed by the Bay of Plenty Regional Council on any other matter.

## Membership

- The Committee will have a minimum voting membership of five and a maximum of seven, including at least one Councillor representative; and
- A General Manager of the Regional Council will be appointed as an advisor to the Committee and will attend all Committee meetings.

## Term of the Committee

For the period of the 2016-2019 Triennium, unless discharged earlier by the Regional Council.

## Quorum

In accordance with Council standing order 10.4, the quorum at a meeting of the Committee is not fewer than three voting members if the total membership present is six or less and four voting members if the total membership present is more than six.

## Meeting frequency

At least three times per annum, or as frequently as required to deliver appropriate governance.

## Specific Responsibilities and Delegated Authority

The Lake Rotorua Incentives Committee is delegated the power of authority to:

- In accordance with delegations of Council, agree to enter into legal agreements on the Bay of Plenty Regional Council's behalf which secure nitrogen reductions in perpetuity;
- In accordance with the delegations of Council, authorise the payment of funds to secure nitrogen reductions below nitrogen discharge limits in line with the Lake Rotorua Incentives Policy 2014.

The Lake Rotorua Incentives Committee does not have the authority to purchase or acquire land.

The above delegations are subject to the following conditions:

- The Committee can commit funding to proposals where the financial commitment is within the budgeted amounts and within the multi-year appropriation agreed by the funding partners.
- The budgeted amounts are as specified within the Annual Work programme, Three-Year Work programme, Deed of Funding with the Crown and Long Term Plan of Council, as are current and approved at any point in time.
- Any proposal that exceeds the approved budget amounts or that requires multi-year appropriation requires the approval of the funding partners.

- Payments for permanent nitrogen reductions must not, over the life of the fund, overspend the Incentives Scheme total budget or under achieve the nitrogen target.
- Agreements must not establish an unsustainable, average price given the Lake Rotorua Incentives Scheme's objective and budget.
- The due diligence requirement as described in the Lake Rotorua Incentives Policy 2014 is satisfied.
- If an agreement takes the form of a Deed, ensure that it is executed by at least two elected members of the Bay of Plenty Regional Council who are not members of the Lake Rotorua Incentives Committee.

**Note:**

- The Lake Rotorua Incentives Committee reports to the Regional Council.
- The Chair of the Lake Rotorua Incentives Committee is appointed by the Regional Council.



# Membership

<b>Chairperson:</b>	N Bruning (Bay of Plenty Regional Council)
<b>Appointees:</b>	E Hughes, Dr T Kingi, Dr T Petch, G Rice Councillor K Winters (Bay of Plenty Regional Council)
<b>Committee Advisor:</b>	R Garrett

---

Recommendations in reports are not to be construed as Council policy until adopted by Council.

## Agenda

### 1 Apologies

### 2 General Business and Tabled Items

Items not on the agenda for the meeting require a resolution under section 46A of the Local Government Official Information and Meetings Act 1987 stating the reasons why the item was not on the agenda and why it cannot be delayed until a subsequent meeting.

### 3 Public Forum

### 4 Declarations of Conflicts of Interests

### 5 Previous Minutes

#### 5.1 Lake Rotorua Incentives Committee minutes - 09 February 2017 11

### 6 Reports

#### 6.1 Lucerne Memorandum to GM Integrated Catchments 7 March 2017 19

#### 6.2 Monitoring Incentives Agreements 21

APPENDIX 1 - Attachment 1 - Monitoring Incentives Agreements 25

#### 6.3 Update from Rotorua Catchments 33

#### 6.4 Presentation on the Rotorua Wastewater Treatment Plant

#### 6.5 Strategic Planning

Please refer to the previously circulated Strategic Plan. A Draft Action Plan will be presented by Programme Director, Te Taru White for discussion and direction.

## **6.6 Update on the Communications Strategy**

A verbal report will be provided by Incentives Programme Director, Te Taru White and Communications Manager Sue-Ellen Craig.

## **7 Public Excluded Section**

**37**

### **Resolution to exclude the public**

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General Subject of Matter to be Considered</b>	<b>Reason for passing this resolution in relation to this matter</b>	<b>Grounds under Section 48(1) LGOIMA 1987 for passing this resolution</b>
<b>7.1 Public Excluded Lake Rotorua Incentives Committee minutes - 09 February 2017</b>	<b>Please refer to the relevant clause in the meeting minutes</b>	<b>Good reason for withholding exists.</b>
<b>7.2 Landowner Agreement</b>	<b>To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</b>	<b>Good reason for withholding exists.</b>
<b>7.3 Verbal Update on Landowner Negotiations</b>	<b>To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</b>	<b>Good reason for withholding exists.</b>

### **7.1 Public Excluded Lake Rotorua Incentives Committee minutes - 09 February 2017**

**39**

### **7.2 Landowner Agreement - to follow under separate cover**

### **7.3 Verbal Update on Landowner Negotiations**

## **8 Confidential business to be transferred into the open**

## **9 Readmit the public**

## **10 Consideration of General Business**

## Previous Minutes



# Minutes of the Lake Rotorua Incentives Committee Meeting held in the Summit Room, Sudima Hotel, 1000 Eruera Street, Rotorua on Thursday, 9 February 2017 commencing at 9.30 a.m.

---

## Present:

**Chairman:** Councillor N Bruning (Bay of Plenty Regional Council)

**Appointees:** Councillor K Winters, Dr T Kingi, G Rice, E Hughes.

**In Attendance:** T White (Incentives Programme Director), C Ingle (General Manager, Integrated Catchments), R Garrett (Committee Advisor), A Dick (Toitu Te Waonui Limited Chief Executive Officer) – part attendance.

**Apologies:** Dr T Petch

---

## 1 Welcome

The Chairman opened the meeting, welcomed members and invited Incentives Programme Director Te Taru White to provide a karakia.

## 2 General Business and Tabled Items

### Resolved

That pursuant to section 46A of the Local Government Official Information and Meetings Act 1987 the following items be considered at this meeting:

Tabled document 1	LRIC draft Strategic Plan	Agenda Item 6.3	Draft for discussion
Tabled document 2	Draft Vision and action plan	Agenda Item 6.3	Discussion draft E Hughes

It was noted that the tabled documents had been circulated to members by email.

### Resolved

That the Lake Rotorua Incentives Committee under its delegated authority:

- 1 Receives and considers the tabled items.

**Bruning/Winters  
CARRIED**

## 3 Public forum

No public forum was requested.

#### 4 **Declaration of conflicts of interest**

Incentives Programme Director Te Taru White noted agenda item 6.1, a presentation by Mr Andy Dick from Toitu Te Waonui, and informed the meeting of his position as a director of Toitu Te Waonui.

#### 5 **Lake Rotorua Incentives Committee Minutes 22 December 2016 Resolved**

**That the Lake Rotorua Incentives Committee under its delegated authority:**

##### **2 Confirms the Lake Rotorua Incentives Committee Minutes - 22 December 2016**

**Winters/Kingi  
CARRIED**

#### 6 **Reports**

##### 6.1 **Toitu Te Waonui presentation: dNITRO**

Refer website: <http://www.dnitro.co.nz>

Toitu Te Waonui Limited Chief Executive Officer Mr Andy Dick gave this presentation on the dNITRO analysis tool to members. Mr Dick outlined the background to the development of the dNITRO tool, explaining that the tool was one of seven projects approved under the Low Nitrogen Land Use Fund, and that the project had two distinct phases – firstly, the development of the land use change analysis tool for conversion to forestry and secondly, direct engagement with Māori landowners in the catchment to promote use of the tool. Mr Dick noted that while the afforestation story is compelling for the catchment, there is still uncertainty and lack of knowledge around the opportunities for mānuka and radiata, which direct engagement with targeted landowners should help resolve. He then demonstrated the use of the website-based tool to the members, noting that it would go fully live on 20 February.

Mr Dick explained that the dNITRO tool provides an indication in terms of annualised value of the economics of land use change to forestry, and is calibrated using average values and standard variables; and clarified that the sequestration rates used by the tool are Ministry of Primary Industries accepted values for mānuka and radiata. Mr Dick also noted that other species could be included in the tool if the relevant specific inputs were added, and clarified that the tool does not model foregone income or the impact on an existing farming operation. Toitu Te Waonui could work with interested landowners to run their specific farm variables through the analysis tool; however it was expected that landowners who wished to progress a use change to forestry would move into a more detailed model used within the forestry industry such as Forecaster.

Staff noted that there is a Regional Council subsidy available for landowners to develop a nitrogen management plan for their property.

The Chairman thanked Mr Dick for his work in developing dNITRO and for the presentation.

## 6.2 Expressions of Interest - 1 Tonne Nitrogen or Less

Integrated Catchments General Manager Chris Ingle and Incentives Programme Director Te Taru White presented this report which sought approval of an Expressions of Interest process designed to simplify and facilitate the sale and purchase of small quantities of nitrogen (under 1 tonne). Mr White explained that currently small landowners have to go through the same process as large block holders, which was expensive and cumbersome, and that the Expressions of Interest document will provide a cost-efficient process that empowers small landowners.

Members requested clarification of the GST requirements in *Clause 3: Settlement* of the Second Schedule of the draft Agreement for the Reduction of Nitrogen Discharge. Concern was expressed that the requirement to be GST-registered may be a disincentive to participation and that there could be confusion around a transaction being zero-rated.

Members noted that the implications of Clause 2.3(a) of the Second Schedule, regarding the loss of the difference between an initial and provisional Nitrogen Discharge Allowance on settlement, depend on scale. Members also noted the flexibility provided to the Committee, under Paragraph 37 of the Terms and Conditions attached to the Expression of Interest form, to vary the Expression of Interest process. Staff clarified that the Assessment Matrix included in the process was intended as an in-house tool and would not be included in general applicant information.

### Resolved

**That the Lake Rotorua Incentives Committee under its delegated authority:**

- 1 Receives the report, Expressions of Interest - 1 Tonne Nitrogen or Less;**
- 2 Requests staff to clarify the GST requirements under Clause 3 of the Second Schedule to the Agreement for the Reduction of Nitrogen Discharge and to add the words “where applicable” as appropriate;**
- 3 Directs the Incentives Scheme Director to run an Expressions of Interest process as prescribed in this report, subject to Recommendation 2 being satisfactorily resolved;**
- 4 Directs the Incentives Scheme Director to make recommendations back to the Committee, no later than June 2017, recommending offers to be made to parties who have lodged Expressions of Interest.**

**Bruning/Winters  
CARRIED**

## 6.3 Strategic Planning

*Refer Tabled Documents 1 & 2*

Incentives Programme Director Te Taru White presented this report which sought approval of a strategic plan for the Lake Rotorua Incentives Committee for the period 2017-2022, and outlined the planning process to date. Mr White then invited member Elizabeth Hughes to speak to her suggested amendments to the draft plan.

Ms Hughes noted that the current draft plan was a mix of strategic and operational goals, and recommended identifying and separating the goals, creating a vision and an action plan and then incorporating the two sections into one formal strategic document. Ms Hughes then referred members to the two tabled documents and led a discussion on her draft vision and strategic plan.

Members agreed to amend the overarching outcome in the vision to read *“Permanently remove 100 tonnes of nitrogen entering Lake Rotorua by incentivising landowners to sign up to land-use change within the next five years”*. The first two goals in the vision were also amended to read *“1: Landowners sell their nitrogen to the Board”*; and *“2: Align with programmes and plans including the Integrated Framework”*.

Ms Hughes then guided members through the draft action plan; members provided clarification and direction on several points. Members noted that some actions were already underway such as the development of a spatial database and landowner profiles; and confirmed that the central point for integration and linking of all lakes programmes should be the Rotorua Te Arawa Lakes Strategy Group. Members discussed developing a communications strategy and decided to approach the Regional Council’s communication manager for assistance; members also supported the acquisition of a customer relationship module for use by LRIC personnel.

## **Resolved**

**That the Lake Rotorua Incentives Committee under its delegated authority:**

- 1 Receives this report, Strategic Planning;**
- 2 Directs Incentives Scheme staff as to the final content and format of the Strategic Plan;**
- 3 Approves the 2017-2022 strategic plan as amended.**

**Rice/Winters  
CARRIED**

## **7 Public excluded section**

### **Resolution to exclude the public**

**That the public be excluded from the following parts of the proceedings of this meeting.**

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

### **7.1 LRIC Public excluded minutes 22 December 2016**

#### **Grounds**

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.

**Reason**

Please refer to the relevant clause in the meeting minutes.

**7.2 Ngati Whakaue Tribal Lands letter****Grounds**

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.

**Reason**

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

**7.3 Landowner negotiations - verbal update****Grounds**

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.

**Reason**

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

**Bruning/Hughes  
CARRIED**

**8 Confidential business to be transferred into the open**

Nil.

**9 General Business**

Nil.

**The meeting closed at 1.00 pm.**



# Reports



# MEMORANDUM



**To:** Chris Ingle  
**General Manager, Integrated Catchments**

**From:** Rosemary Cross  
**Team Leader, Land Resources, Rotorua**

**Date:** 7 March 2017

**File Ref:** A 2561746

**Subject:** N leaching from lucerne

- [REDACTED] 16 ha property, located at [REDACTED] was originally benchmarked as part of a larger dairying operation. [REDACTED] plans to plant 3.3 ha of land to native trees and to plant the remaining 7.9 ha of pastoral land to lucerne for a cut and carry operation.
- The proposed land use change will remove 409 kg of nitrogen (N) from the lake.
- [REDACTED] has recently signed a Heads of Agreement with the Lake Rotorua Incentives Board (the Board).
- Council staff are not concerned about the proposed land use change on the [REDACTED] property for the following reasons:
  - Although it is a legume and fixes nitrogen in the soil, lucerne has a long tap root compared to pasture species. This enables it to access water and nutrients from deep within the soil profile, meaning that less N is lost from the root zone.
  - Lucerne is a perennial plant and therefore does not require cultivation beyond the initial planting.
  - The cut and carry operation means that nutrients, including N, are continuously being removed from the property.
  - The cut and carry operation also means that the lucerne plants do not become senescent and therefore utilise the N that they fix for continued growth.
  - Research by McLeod (2015) showed that, although cultivation and planting may result in an initial spike of 10-15 kgN/ha, once established under a regime of no N fertilizer, no stock and a cut and carry operation, the leaching rate for lucerne is about 5 kgN/ha/yr.
  - Lucerne and cut and carry are accounted for in Overseer and therefore the property's N loss can be modelled to ensure that the residual NDA\* is complied with. The N loss (at the root zone) on the lucerne block is 11.9 kg/ha in Overseer v.6.2.3. This allows for maintenance N fertilizer applications when required.

\*"residual NDA" is the amount of N remaining on the land after N has been purchased by the Board.

McCleod, M. 2015. Nitrogen leaching from cut and carry lucerne In: *Moving farm systems to improved attenuation*. (Eds L.D. Currie and L.L. Burkitt). <http://flrc.massey.ac.nz/publications.html>. Occasional Report No. 28. Fertilizer and Lime Research Centre, Massey University, Palmerston North, New Zealand.



**Receives Only – No Decisions**



**Report To:** Lake Rotorua Incentives Committee

**Meeting Date:** 05 April 2017

**Report From:** Chris Ingle, General Manager, Integrated Catchments

---

## **Monitoring Incentives Agreements**

---

### **Executive Summary**

The purpose of this report is to outline a process that has been developed to monitor Incentives Agreements.

### **Recommendations**

**That the Lake Rotorua Incentives Committee under its delegated authority:**

- 1 Receives the report, Monitoring Incentives Agreements;**

## **1 Background**

Agreements made with landowners by the Lake Rotorua Incentives Board to purchase nitrogen will require monitoring to ensure that the property remains within the allocated residual Nitrogen Discharge Allowance (rNDA) cited in the Agreement and Deed.

Staff have developed a robust monitoring process and are currently developing process maps and documentation to capture the process.

## **2 Monitoring Process**

Monitoring will be undertaken as follows:

- Council staff will transition the property's rNDA through OVERSEER® version changes to enable monitoring to be undertaken.
- Following notification by Incentives Board staff that the Encumbrance has been registered on the property title, a monitoring plan will be developed by the relevant Land Management Officer (LMO) (see example in Attachment 1).
- After the date of the actions committed to in the Nitrogen Management Plan, the LMO will undertake a property inspection to ensure that the proposed land use change has been undertaken. If the Agreement involves conversion to trees, the conversion area will be ground-truthed.

- If the Agreement involves remaining pastoral area, the LMO will request that the landowner submit an OVERSEER® file developed by a suitably qualified and experienced person\*.

\*A suitably qualified person is a person who:

- Implements OVERSEER® input best practice and uses standard protocols recognised and approved by the Bay of Plenty Regional Council including those specific to the Lake Rotorua groundwater catchment; and
  - has completed both the “Intermediate” and the “Advanced” courses in “Sustainable Nutrient Management in New Zealand Agriculture” conducted by Massey University and has at least five years’ work experience in a land use/farm advisory role; or
  - is approved in writing by the Chief Executive (or delegate thereof) of the Bay of Plenty Regional Council.
- The whole farm nitrogen discharge, as modelled by OVERSEER®, will be compared to the Agreement rNDA in the same version of OVERSEER®.
  - The landowner will be notified in writing as to whether the property is compliant or non-compliant with the rNDA.
  - If non-compliant, in the first instance, the LMO will work with the landowner to achieve compliance.
  - If the non-compliance continues, the LMO will make a recommendation to management to enact the remedies in the Deed.
  - The monitoring plan will be reviewed by the relevant LMO on an annual basis.
  - Areas converted to trees will be inspected annually to ensure that fences are in good condition, there is no stock access to the conversion area and that plantings are in good condition.
  - Areas of land remaining in pasture will be inspected annually to ensure that gorse is being controlled.

### **3 Council’s Accountability Framework**

#### **3.1 Community Outcomes**

This project/proposal directly contributes to the Water Quality and Quantity Community Outcome/s in the council’s Long Term Plan 2015-2025.

#### **3.2 Long Term Plan Alignment**

This work is planned under the Rotorua Lakes Activity in the Long Term Plan 2015-2025

##### **Current Budget Implications**

This work is being undertaken within the current budget for the Rotorua Lakes Activity in the Annual Plan 2016/17.

##### **Future Budget Implications**

Future work on the Rotorua Lakes Activity is provided for in Council’s Long Term Plan 2015-2025.

Rosemary Cross

**Team Leader - Land Resources**

**for General Manager, Integrated Catchments**

**29 March 2017**



# **APPENDIX 1**

## **Attachment 1 - Monitoring Incentives Agreements**



## ATTACHMENT 1

### [REDACTED] MONITORING PLAN

#### Notes to Land Management Officer (Monitoring Officer)

- 1 This plan is a guide and checklist. The Monitoring Officer should read the Agreement and Deed documents to ensure they have all the necessary detail.
- 2 The Monitoring Officer must read and understand the most recent approved Nitrogen Management Plan which applies to the land, compliance with this is the main component of this monitoring plan.
- 3 This document will be reviewed each year (to enable the review of Overseer information from June to July) by the Team Leader. This monitoring plan should be completed prior to that review.
- 4 Any version changes in Overseer during the year should be dealt with by implementing clause 3.6 and 3.7 of the Deed as they occur. Not every change in Overseer version need necessarily be converted in the Deed, an exchange of letters by the relevant lawyers may be adequate (refer clause 3.7(d)), but the parties may request a variation to the Deed (3.7(e)). A judgement call needs to be made by the Monitoring Officer as to whether the nutrient allowances in the Deed should be altered as a result of the Overseer version changes, primarily based on the cost/benefit and risk of the change, once the changes to the Nutrient Discharges Allowances that would occur as a result of the version change are established. This decision should then be explained as noted in this monitoring document.
- 5 This Deed which is the subject of this agreement does not require the Residual Land NDA to be achieved until 31 May 2021 (which means farm system changes need to occur over 2020). However, the parts of this agreement which do not relate to the staged reduction to the Residual Land NDA by 31 May 2021, as set out in the Nitrogen Management Plan, still apply.
- 6 There are two separate documents. The Agreement and Deed. The majority of the references in this monitoring document refer to the Deed.
- 7 It is recommended that the Monitoring Officer read through this monitoring plan first to understand it. Then work through this monitoring plan with the landowner or their representative to ensure that correct information is gathered.

Monitoring Responsible	Officer		Year	2016/2017
Name on Agreement			Monitoring Period	Annually
Catchment/s	Lake Rotorua			
Contacts				
Date Agreement Signed and Term		31 August 2016, 999 years.		
Total Nitrogen Reduction Required Under the Agreement		BOPRC may assign a new Nitrogen Discharge Allowance with changing versions of Overseer that allows the Alternative Land Use to continue. Refer clauses 3.6 and 3.7 of the Deed.		
Phosphorous Reduction Required Under the Agreement		There are no phosphorous restrictions under the Agreement or Deed.		

Page 27 of 36

### Pre-settlement and Settlement Requirements

*N.B. The pre-settlement requirements of clause 2.1 of the agreement have been met, as at September 2016. On 20 September 2016 the Alternative Land Use payment was made in accordance with clauses 3.1-3.8 of the Agreement.*

Has the Landowner, at their own cost, no later than 31 May 2021 completed the following actions under clauses 2.2 (a-c) of the Agreement (if prior to 31 May 2021 check not applicable):

- ☐ Not applicable.
  - ☐ Complied fully with the approved Nitrogen Management Plan in all respects (September 2016 version, unless amendments subsequently approved by Regional Council).
  - ☐ Undertaken and implemented the Alternative Land Use in accordance with the terms of the Nitrogen Management Plan.
  - ☐ Obtained written confirmation from the Regional Council the Initial Land NDA is reduced to the Residual Land NDA and the Total Nitrogen Take has been achieved in accordance with the terms of the Nitrogen Management Plan.
- 
- ☐ Yes ☐ No In accordance with clause 2.3 of the Agreement the landowner has consulted with and involved the Regional Council in the conversion to the Alternative Land Use to the extent required to ensure that the Monitoring Officer is satisfied that the matters contemplated by this agreement are achieved.
  - ☐ Yes ☐ No It has been confirmed that the landowner has not sold, transferred, traded or otherwise utilised Nitrogen Discharge Allowance (NDA) associated with the Land the exceeds the Residual NDA, unless the Regional Council has granted a variation to clause 2.4 in accordance with clause 2.5 of the agreement, at the request of the landowner.
  - ☐ Yes ☐ No In accordance with clause 2.6 of the Agreement and Clause 3.1 (d) of the Deed, the landowner has ensured that the presence of gorse on the land is controlled so that it does not materially affect the nitrogen loss from the land, and the landowner has complied with all legislative requirements related to gorse and other weeds that apply to the land.

### Further Provisions

- ☐ Yes ☐ No The landowner has not assigned or novated (transferred) its rights under this agreement without the written agreement of the Regional Council in accordance the requirements of clause 5.2 and 5.3 of the Agreement.

### Confidentiality and Public Announcements

- ☐ Yes ☐ No The landowner has not made any public announcement, unless required by law, without the prior written permission of the Regional Council in accordance with clause 6.1.
- ☐ Yes ☐ No The Regional Council has made all reasonable endeavours not to identify the landowner, with respect to this agreement, in any public announcements in accordance with clause 6.2.
- ☐ Yes ☐ No Throughout the year, the confidentiality requirements under clauses 6.3-6.5 of the agreement have been met by both parties, in all transactions concerning this agreement.

## 2 General Deed Requirements

### Landowner Commitments

- ☐ Yes ☐ No ☐ N/A Until 31 May 2021, the landowner has complied with the requirements of the approved Nitrogen Management Plan (version as at September 2016, unless subsequent version approved by Regional Council), for the year relevant to this monitoring plan. This requirement is in accordance with clauses 3.1 and 3.2.
- ☐ Yes ☐ No ☐ N/A Following 31 May 2021, in accordance with clauses 3.1 and 3.2 of the Deed, the landowner has undertaken the Alternative Land Use in accordance with any applicable resource consents and the Nitrogen Management Plan.
- ☐ Yes ☐ No ☐ N/A Following 31 May 2021, the landowner has not undertaken any activity nor allowed any other party to undertake an activity on the land which will result in the Residual Land NDA being exceeded or the breach of any nitrogen related resource consent, Regional Plan, District Plan or other law relating to nitrogen leaching. Refer clause 3.1(c) of the Deed.
- ☐ Yes ☐ No The Landowner has co-operated when called upon to ensure that all regulatory restrictions and requirements, e.g. consents, are met and complied with, to ensure the preservation of the Residual Land NDA. Refer 3.1(e)).
- ☐ Yes ☐ No The Landowner has obtained all relevant resource consents and complied with all other regulatory mechanisms to ensure the preservation of the nitrogen gains under this consent and has not directly (or assisted someone else to) objected to obtain or breach those (3.1(f)).
- ☐ Yes ☐ No The Landowner has not sold or traded nitrogen (or been involved in any capacity with this), or any like activity, in relation to the land without the approval of the Regional Council in accordance with condition 3.1(g) of the Agreement.

## 3 Updating Versions of Overseer or Adopting New Nutrient Measurement Systems (Deed)

- ☐ Yes ☐ No Has BOPRC implemented an updated version of Overseer or a new system or model for nitrogen measurement during the year?

*Note: This is at the sole discretion of the Regional Council, refer clause 3.6 and 3.7 of Deed.*

Briefly explain change or update for future reference:

- ☐ Yes ☐ No Has the new version, system or model been used to update the Residual Land Nitrogen Discharge Allowance for this agreement, in accordance with clause 3.7(a) of Deed. This is referred to as a Technical NDA change.

Provide the new Residual Land Nitrogen Discharge Allowance here:

- ☐ Yes ☐ No Has the new Residual Land Nitrogen Discharge Allowance been assigned through a variation to the Deed or by an advice to the landowner in writing?

*Note: A judgement will need to be made by the Monitoring Officer as to the best approach here, depending on the scale and risks of the change. This will be at the discretion of the Monitoring Officer and will depend on the scale of the change. If the Monitoring Officer is unsure on the best course of action, advice should be taken from senior staff or Council's legal advisor.*

*Briefly explain the course of action taken?*

- ☐ Yes ☐ No Has the landowner procured new or varied resource consent/s and/or Nitrogen Management Plan in order to give effect to the Technical NDA change, if required.

#### 4 Provision of Information and Inspection (Deed)

☐ Yes ☐ No In accordance with clause 4.2, has the whole farm been inspected by the Monitoring Officer this year?

*If not, why?*

With respect to the Health and Safety at Work Act, 2015 and the provisions of the Deed, has the following been undertaken:

☐ Yes ☐ No The Monitoring Officer (and any contractors or other staff involved in monitoring) are aware of the Health and Safety policies and procedures of the Regional Council including the Drug and Alcohol Policy (Clause 4.2(a)(i)).

☐ Yes ☐ No The Monitoring Officer (and any contractors or other staff involved in monitoring) have complied with any direction or requirement of the landowner to ensure that people entering the land under this Deed are not harmed by hazards arising as a result (Clause 4.2(a)(ii)).

☐ Yes ☐ No The Monitoring Officer (and any contractors or other staff involved in monitoring) have reported all accidents involving serious harm verbally to the landowner as soon practicably possible (within 4 hours) and all other accidents, incidents affecting the land or health including near hits/misses to the landowner within 24 hours. Also, within 15 working days of any incident a copy of the relevant Safety Accident Report and Investigation has been provided to the landowner (clause 4.2(a)(iii)).

☐ Yes ☐ No The Monitoring Officer (and any contractors or other staff involved in monitoring) have ensured that all plant, equipment, machinery, vehicle and tools used in respect of this agreement are in a safe working condition (clause 4.2(a)(iv)).

☐ Yes ☐ No Has it been confirmed that any contractors entering the property on behalf of the Regional Council hold public liability insurance for the purposes of entering the land (clause 4.2(c)).

☐ Yes ☐ No Has an Overseer file been provided by the landowner with the information required under clause 4.3?

*Note: Council will pay, upon invoice from the Landowner, the costs of providing an Overseer file to meet the requirements of clause 4.3 of the Deed up to a maximum of \$500. Updates to the Nitrogen Management Plan will increase the cost of preparing that Overseer file and those additional costs are to be covered by the landowner, hence a cap on the total cost covered by Council.*

☐ Yes ☐ No Has the Overseer file provided confirmed that the practices undertaken on the land are consistent with those allowed by the Deed and Nitrogen Management Plan, including the Residual Nitrogen Discharge Allowance?

*Note: Depending on the extent and repetition of the breach, legal advice should be taken early to ensure correct enforcement procedures are followed with respect to the provisions of the Deed, to bring the landowner back in to compliance.*

If the Overseer file has indicated a breach of Deed and/or Nitrogen Management Plan, what action has been in accordance with clauses 4.4-4.13 of the Deed?

Explain:

☐ Yes ☐ No Has the Landowner confirmed that the Nitrogen Management Plan, including the block map, accurately represents the farm system for the coming year?

*Note: If the answer to the above is No, the landowner will need to update their Nitrogen Management Plan at their own cost and submit to the Monitoring Officer for approval prior to commencing the altered activity.*

## 5 Selling, Subdivision, Transfer of Land (Deed)

- ☐ Yes ☐ No Has the Landowner sold, transferred the ownership of or subdivided any of the land during the year?
- ☐ Yes ☐ No If yes, have the requirements of clauses 5.1-5.4 of the Deed been complied with?

## 6 Dispute Resolution (Deed)

- ☐ Yes ☐ No Has there been a dispute between the parties during the year?
- ☐ Yes ☐ No Has this been dealt with in accordance with clauses 6.1-6.10 of the Deed?

## 7 Conclusion

- ☐ Yes ☐ No Has any aspect of the Agreement or Deed been breached during the year?

If yes, explain breach:

- ☐ Yes ☐ No ☐ N/A Has the breach been remedied either by the landowner in a timely manner or by the Regional Council in accordance with provisions 7.1-7.3 of the Deed?

Explain:

---

*I am satisfied that there has been compliance with the agreement between [REDACTED] and Bay of Plenty Regional Council for the reduction of nutrient discharge for the 2016-2017 financial year, sufficient to ensure the investment of the Regional Council has been protected.*

**Land Management Officer (Monitoring Officer):**

**Date:**

*Completed monitoring plan reviewed by:*

**Team Leader Rotorua Catchments:**

**Date:**



**Receives Only – No Decisions**



**Report To:** Lake Rotorua Incentives Committee

**Meeting Date:** 05 April 2017

**Report From:** Chris Ingle, General Manager, Integrated Catchments

---

## **Update from Rotorua Catchments**

---

### **Executive Summary**

The Rotorua Catchments team has a particular focus on two initiatives to assist in achieving the Lake Rotorua water quality improvements: Advice and Support, and the Low Nitrogen Land Use Fund. Advice and Support is the first step for any landowner considering selling any excess nitrogen allowance, so that landowners have the necessary figures relating to their property. The Low Nitrogen Land Use Fund is being used to develop knowledge and understanding of land uses that could prove to be cost-effective alternatives for landowners.

### **Recommendations**

**That the Lake Rotorua Incentives Committee under its delegated authority:**

**1 Receives the report, Update from Rotorua Catchments;**

#### **1 Advice and Support**

The advice and support service is for landowners in the Lake Rotorua catchment who will be subject to the Plan Change 10 rules. Landowners can phone in to apply for the service, and the team's Land Management Officers also proactively contact landowners. Currently 101 landowners are involved in the scheme, and of these 61 have properties over 40 hectares (21 dairy farms and 40 dry stock farms). Once landowners have engaged with the advice and support service, the next step is for a member of the team to develop a Nitrogen Discharge Assessment Report on the property. Then landowners are referred to an independent land use advisor to get a Nutrient Management Plan (NMP) developed, which will show how the landowner can reach their Nitrogen Discharge Allowance (NDA). So far 47 NMPs have been produced. Funding is available up to a capped level for the engagement of one of the independent land use advisors on the approved list. The funding can incorporate business planning if the gap between the current nitrogen discharge and the expected nitrogen discharge is going to be complex to achieve.

## **2 Low Nitrogen Land Use Fund**

Five contracts have been signed for projects to be funded under this scheme. A further project is still under contract negotiation and is expected to investigate the suitability in the Lake Rotorua catchment of free range eggs farming, dairy sheep farming and mānuka plantations. The five signed off projects are all underway and updates are provided below. The low nitrogen land use fund will open to applications again in 2018.

### **2.1 dNITRO**

This project by Toitu Te Waonui Ltd has developed a web-based tool that provides analyses of the expected performance of planting some or all of a property in pines and/or mānuka. It is easy to use and provides landowners with some very useful information. The project has now moved into the second phase whereby meetings are taking place between the team and landowners to discuss the results the tool provides. Initially the team is targeting Māori landowners, and they are able to demonstrate how combining blocks could be an option for some landowners looking into planting pine or mānuka.

### **2.2 Best Practice Videos**

This project by Landconnect Ltd will develop ten videos on good farming management practices that will be uploaded to YouTube. Landconnect are supported in this venture by the Lake Rotorua Primary Producers Collective and Balance. This project is underway and first viewings of the videos produced so far have been very well received.

### **2.3 Whenua Ora**

This project from Origin One Health will look at farm system change on ten farms. Work will be undertaken on detailed farm system changes to reduce discharges and increase profit. The farmers involved will meet as a group and share their findings. The project adopts a lead by example approach to achieve uptake of improved farming systems in the catchment. Ten farms are on board and the project is progressing.

### **2.4 Land Resource Guide**

Developed by Te Arawa Primary Sector Group, this will be a compendium of information on different land uses, including horticulture, agriculture and possibly floriculture. The information will be built into a web portal and updated annually. The information on land uses will include economic return, market information, requirements for growth and management, and approximate nitrogen leaching. The research work is underway and some potential land uses have not been found suitable, but will be referenced to explain that they have been investigated.

### **2.5 Hazelnut Trial**

This project, run by Alison Bentley, will trial three commercial cropping varieties of hazelnut. Advice is being provided by the owner of the hazelnut nursery where the plants are being procured from, and the planting site is being prepared. The plants will go in the ground in winter.

### **3 Council's Accountability Framework**

#### **3.1 Community Outcomes**

These initiatives directly contribute to the Water Quality and Quantity Community Outcome in the council's Long Term Plan 2015-2025.

#### **3.2 Long Term Plan Alignment**

This work is planned under the Rotorua Lakes Activity in the Long Term Plan 2015-2025.

##### **Current Budget Implications**

This work is being undertaken within the current budget for the Rotorua Lakes Activity in the Annual Plan 2016/17.

##### **Future Budget Implications**

Future work on Rotorua Lakes Activity is provided for in Council's Long Term Plan 2015-2025.

Linda Goldsmith  
**Rotorua Catchments Manager**

**for General Manager, Integrated Catchments**

**29 March 2017**

