

IN THE MATTER OF

The Resource Management Act 1991

AND

IN THE MATTER OF

Lake Rotorua Nutrient Management – **PROPOSED PLAN CHANGE 10** to the Bay of Plenty Regional Water and Land Plan

**STATEMENT OF EVIDENCE OF STEPHEN GUY LAMB
OF THE BAY OF PLENTY REGIONAL COUNCIL**

Evidence topic: Planning Context and Process

SUMMARY

1. The scope of my evidence relates to the process of developing Proposed Plan Change 10 within the context of the package of interventions designed to achieve the community objectives for Lake Rotorua's water quality. I have covered my qualifications and experience and confirmed my compliance with the expert witness code of conduct in the full version of my evidence.
2. Lake Rotorua's nutrient issues have been well documented over a long period and the enhancement of the Lake's poor water quality has been of community and cultural concern for decades. There are two operative regulatory documents that capture the community's objectives for the Lake:
 - (a) The Regional Policy Statement (that contains the sustainable nitrogen load limits for Lake Rotorua); and
 - (b) The Regional Water and Land Plan (that contains the trophic level index ('TLI') for Lake Rotorua).
3. While regional rules have applied to the Lake Rotorua catchment since 2008 these rules only capped nitrogen loss at a level we now know is unsustainable. Proposed Plan Change 10 is designed to meet the community's expectations for Lake Rotorua. Implementing the NPS for Freshwater Management will continue this process.
4. The process of developing the Proposed Plan Change was built around an extensive consultation, engagement and a collaborative stakeholder process. This latter element was an aspect of the Oturoa Agreement that was put into place as part of the outcomes of the Regional Policy Statement appeals process, where the RPS limit for Nitrogen and timeframes for reduction were agreed and confirmed via Environment Court mediation.

5. A key function of the Lake Rotorua Stakeholder Group (StAG) was to test the robustness of concepts and the rule framework throughout the process. StAG provided advice and recommendations on a range of large and small policy and implementation issues.
6. The Council also undertook a wide range of other consultation and engagement activities as part of developing the Proposed Plan Change to ensure community, iwi and stakeholder views were considered. The Section 32 report details the scope of this and a 'thumbnail' summary of it is below.
7. As set out in my evidence in chief, a significant amount of consultation and engagement was carried out during the process of developing the Plan Change. A wide range of opportunities were provided to the community and stakeholders, and material was provided through a range of mechanisms (such as mail drops, websites and newspapers). At two distinct stages, draft rules were provided to all relevant parties (in March 2014 and September 2015).
8. Consultation with iwi was undertaken in the development process and relevant iwi/hapū management plans considered. An engagement programme was undertaken using specialist contractors, that included radio and social media, as well as targeted hui.
9. A number of changes were made through the process of drafting the Proposed Plan Change as a result of feedback and consultation.
10. While the focus of these hearings is on the robustness and appropriateness of Proposed Plan Change 10, the programme within which the Proposed Plan Change sits is important for understanding why the proposed rules are how they are. This programme contains significant funding that provides the opportunity for the **Integrated Framework** to exist. Funding support is provided by local and regional ratepayers, as well as taxpayers at the national level.
11. The Integrated Framework was first presented to StAG by the Lake Rotorua Primary Producers Collective in July 2013. This framework was subsequently amended by StAG and then later approved and endorsed by the Regional Council on 17 September 2013. This framework shares the burden of nitrogen reduction between the community and the pastoral sector and establishes targets and commitments.
12. Some level of uncertainty is inevitable in this type of project. The process of developing Proposed Plan Change 10 has navigated these issues of uncertainty particularly around the supporting science and the need to use models for management purposes. The concept of adaptive management has been used to express the need to start on the process of reducing nitrogen to the Lake but to continue to research and incorporate new information.

For example, the concept of science reviews is built into the Proposed Plan Change through Method 2 and in relation to the challenges of using a changing OVERSEER® model a reference file methodology has been introduced.

13. There is an extensive body of research and material that supports Proposed Plan Change 10. This ranges from the results from lake and economic models, to single topic research (such as identifying phosphorus sources, through to the holistic perspectives of iwi management plans. The wide range of information has all played a part in developing the Proposed Plan Change.

Approach to Rules

14. The Plan Change is built on the desire to generally allow farming activities and to only apply control where necessary. Efforts have been made to balance administrative effort and cost with the risk of un-managed nitrogen (particularly in reference to the size of properties/farming enterprises).
15. The Proposed rules generally provide for small, non-commercial properties, forestry/bush scrub and low intensity landuses to operate as permitted activities. Larger, higher intensity pastoral properties/farming enterprises are required to obtain controlled activity consents on the basis Nitrogen Management Plans are submitted that show pathways to the relevant Nitrogen Discharge Allowance (NDA). Different timeframes apply to categories of farming enterprises.

Nutrient Management Plans¹

16. Land use activity rules for the more significant farming operations have been based fundamentally around Nutrient Management Plans (NMP). These NMPs are part of the Integrated Framework, were signalled in the Oturoa Agreement and were a workstream within the StAG process.
17. They are defined as the plan for a property or farming enterprise that identifies the sources of nutrients associated with farming activity and the mitigation actions to reduce nitrogen losses to meet Managed Reduction Targets and the NDA. The key aspect of a NMP is the schedule of actions that, when modelled in OVERSEER®, show the pathway to the NDA.
18. The NMP approach allows individual farmers to best respond to meeting the NDA requirements by making their own decisions in collaboration with advisors and Council. Proposed Plan Change 10 requires a reduction in nitrogen but does not tell farmers how to farm to achieve that reduction, they choose an evidence pathway.

¹ Noting the supported change in terminology from “Nitrogen” to “Nutrient” for these plans.

Allocation

19. There are some aspects of Proposed Plan Change 10 that are of greater significance to understanding the approach taken and the allocation of nitrogen is one of these key elements.
20. Throughout the two-year long process of determining the nitrogen allocation approach, the principles in the RPS, the principles developed by StAG, and the commitments made within the Integrated Framework that were agreed to by Council were considered, as well as feedback on consultation.
21. Allocation is a difficult subject within any nutrient management framework as there will always be winners and losers under any allocation method. Council's intent was to achieve the sustainable lake nitrogen load with the least economic harm. There has been much discussion and a number of different perspectives presented on who should win or lose. It is my opinion that the position that was reached represents a practical solution that is strongly based on economic and social considerations.
22. The decisions on nitrogen allocation are not decisions made in isolation, but were made in relation to an approach that evolved over time, that was principle driven, and that considered a range of alternatives.

Trading

23. Trading is an element of the Proposed Plan Change that adds complexity but also delivers benefits. It increases choice around mitigation actions. A number of options for a trading system were explored and the decision was to use a simple process of reflecting NDA trades in resource consents for the source and destination properties
24. Trading is also an important aspect of the economic impact of Proposed Plan Change 10 as it increases economic efficiency (by allowing NDA to shift to potentially more productive land). It was also acknowledged as being important within the Oturoa Agreement. Trading will affect the end distribution of nitrogen allocation as it provides a mechanism for the allocation to move to more efficient users. In this way the allocation of the nitrogen relative to the existing position is not likely to be the same as the final end users of the limited amount of nitrogen that remains.
25. Trading has an important and sometimes misunderstood relationship to the Incentives Scheme. Within Proposed Plan Change 10 the ability to trade has been delayed to enable the opportunity for the Incentives Scheme to meet its targets under the Integrated Framework.

Conclusion

26. To reiterate the conclusion of my evidence at paragraph 112, in my opinion Proposed Plan Change 10:
- (a) Is based on a robust platform of science;
 - (b) Is a result of credible and reasonable choices between options;
 - (c) Represents a series of compromises to reach a workable solution;
 - (d) Adequately manages the risks associated with any future changes that may or may not arise and provides for adaptive management.
27. Proposed Plan Change 10 is a critical part of the Integrated Framework and the programme that is seeking to deliver on the community aspirations for Lake Rotorua as contained within the RPS and Regional Water and Land Plan.

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