

# 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, 2 October 2019 commencing at 9.30 am.**

---

Fiona McTavish  
Chief Executive  
24 September 2019





# 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.



## Public Forum

1. A period of up to 15 minutes may be set aside near the beginning of the meeting to enable members of the public to make statements about any matter on the agenda of that meeting which is open to the public, but excluding any matter on which comment could prejudice any specified statutory process the council is required to follow.
2. The time allowed for each speaker will normally be up to 5 minutes but will be up to the discretion of the chair. A maximum of 3 public participants will be allowed per meeting.
3. No statements by public participants to the Council shall be allowed unless a written, electronic or oral application has been received by the Chief Executive (Governance Team) by 12.00 noon of the working day prior to the meeting and the Chair's approval has subsequently been obtained. The application shall include the following:
  - name of participant;
  - organisation represented (if any);
  - meeting at which they wish to participate; and matter on the agenda to be addressed.
4. Members of the meeting may put questions to any public participants, relevant to the matter being raised through the chair. Any questions must be asked and answered within the time period given to a public participant. The chair shall determine the number of questions.





# Membership

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

---

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

## Agenda

- 1 Apologies**
- 2 Public Forum**
- 3 Acceptance of Late Items**
- 4 General Business**
- 5 Confidential Business to be Transferred into the Open**
- 6 Declarations of Conflicts of Interests**
- 7 Previous Minutes**
- 7.1 Lake Rotorua Incentives Committee Minutes - 12 June 2019** **13**
- 8 Reports**
- 8.1 Update from Rotorua Land Management Team** **19**
- 8.2 2019 Local Government Elections Update** **23**
- 9 Public Excluded Section** **25**

**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:

| General Subject of Matter to be Considered                                   | Reason for passing this resolution in relation to this matter | Grounds under Section 48(1) LGOIMA 1987 for passing this resolution |
|--|---|---|
| 9.1 Public Excluded Lake Rotorua Incentives Committee Minutes - 12 June 2019 | Please refer to the relevant clause in the meeting minutes    | Good reason for withholding exists under Section 48(1)(a)           |
| 9.2 Incentives Agreement   | To protect the privacy of an individual                       | Good reason for withholding exists under Section 48(1)(a)           |
| 9.3 Incentives Agreement   | To carry out commercial and industrial negotiations           | Good reason for withholding exists under Section 48(1)(a)           |

|  |    |
|--|----|
| 9.1 Public Excluded Lake Rotorua Incentives Committee Minutes - 12 June 2019 | 27 |
| 9.2 Incentives Agreement   | 31 |
| 9.3 Incentives Agreement   | 33 |
| 10 Confidential Business to be Transferred into the Open                     |    |
| 11 Readmit the Public  |    |
| 12 Consideration of General Business   |    |

# Previous Minutes



# Minutes of the Lake Rotorua Incentives Committee Meeting held in Wairoa Room, Bay of Plenty Regional Council, First Avenue, Tauranga on Wednesday, 12 June 2019 commencing at 9.00 a.m.

---

## Present:

**Chairman:** Cr Norm Bruning - Bay of Plenty Regional Council

**Appointees:** Cr Kevin Winters - Bay of Plenty Regional Council; Elizabeth Hughes – Independent; Dr Tony Petch – Independent (via Telephone); Geoff Rice – Independent (via Telephone)

**In Attendance:** Chris Ingle – General Manager, Integrated Catchments; Anna Grayling - Principal Advisor, Rotorua Catchments; Jude Pani - Rotorua Catchments Advisor; Amanda Namana – Committee Advisor

**Apologies:** Dr Tanira Kingi – Independent Appointee

---

## 1 Apologies

### Resolved

That the Lake Rotorua Incentives Committee:

- 1 Accepts the apology from Dr Tanira Kingi tendered at the meeting.

Hughes/Winter  
CARRIED

## 2 Public Forum

Nil

## 3 Acceptance of Late Items

Nil

## 4 General Business

- Incentives Review

## 5 Confidential Business to be Transferred into the Open

Nil

## 6 Declaration of Conflicts of Interest

Nil

## 7 Previous Minutes

### 7.1 Lake Rotorua Incentives Committee Minutes - 26 November 2018

#### Resolved

That the Lake Rotorua Incentives Committee:

- 1 Confirms the Lake Rotorua Incentives Committee Minutes - 26 November 2018

Hughes/Bruning  
CARRIED

### 7.2 Lake Rotorua Incentives Committee Minutes - 08 November 2018

#### Resolved

That the Lake Rotorua Incentives Committee:

- 1 Confirms the Lake Rotorua Incentives Committee Minutes - 08 November 2018

Hughes/Bruning  
CARRIED

## 8 Public Excluded Section

#### Resolved

**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:

| General Subject of Matter to be Considered                         | Reason for passing this resolution in relation to this matter | Grounds under Section 48(1) LGOIMA 1987 for passing this resolution |
|--|---|---|
| 8.1 Public Excluded Lake Rotorua Incentives Committee Minutes - 26 | Good reason for withholding exists under Section 48(1)(a)     | Please refer to the relevant clause in the open meeting minutes.    |

|   |  |   |
|---|--|---|
| <b>November 2018</b>  |  |   |
| <b>8.2 Public Excluded Lake Rotorua Incentives Committee Minutes - 08 November 2018</b> | <b>Good reason for withholding exists under Section 48(1)(a)</b> | <b>Please refer to the relevant clause in the open meeting minutes.</b> |
| <b>8.3 Grazing Lease Retirement</b>   | <b>Good reason for withholding exists under Section 48(1)(a)</b> | <b>To carry out commercial and industrial negotiations</b>              |
| <b>8.4 Incentives Agreement</b>   | <b>Good reason for withholding exists under Section 48(1)(a)</b> | <b>To protect the commercial position of an individual</b>              |

**Bruning/Winter  
CARRIED**

## 9 Consideration of General Business

The Lake Rotorua Incentives Committee Review was due to be presented to Council in August 2019.

Staff Follow-up:

- Jude Pani to recirculate the Review to members.

**The meeting closed at 9:23 am.**

CONFIRMED DATE:

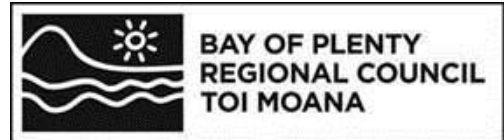
\_\_\_\_\_  
Cr Norm Bruning  
Chairperson – Lake Rotorua Incentives Committee





# Reports





Receives Only – No Decisions

**Report To:** Lake Rotorua Incentives Committee

**Meeting Date:** 02 October 2019

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

---

## Update from Rotorua Land Management Team

---

### Executive Summary

The purpose of this report is to provide an update on the Rotorua Land Management Team activity, including the progress of Advice and Support Service, the Gorse Programme, the implementation of Plan Change 10 and the monitoring of Incentives Agreements.

### Recommendations

**That the Lake Rotorua Incentives Committee:**

- 1 Receives the report, Update from Rotorua Land Management Team;**

#### 1. Purpose

The purpose of this report is to provide an update on the Rotorua Land Management Team activity that has taken place since the last report to the Incentives Committee in March 2019.

#### 2. Advice and Support

Landowners are continuing to work with Land Use Advisors to understand the nitrogen leaching from their current farm system and, where necessary, develop Nutrient Management Plans to show how a property's 2032 Nitrogen Discharge Allocation will be met and nutrient critical source areas will be managed.

A Rotorua Catchments Advisor has been employed whose primary role is to engage with owners of the mid-sized 10-40 ha properties in the lake catchment and connect them with a contracted Land Use Advisor.

#### 3. Overseer

Overseer Ltd has changed its farm-modelling software to OverseerFM and the legacy software has been phased out. OverseerFM is more user friendly and offers more

features than the original software. Landowners are charged \$200 a year by Overseer Ltd to use OverseerFM.

Overseer v.6.3.2 was released on 9 September 2019 with the main enhancement being the addition of urease inhibitors.

#### 4. Gorse Conversion Project

215 ha of gorse in the Lake Rotorua Catchment has been converted to trees under the Gorse Conversion Project. This represents all major gorse blocks in the catchment, with the remaining gorse in small scattered patches. Although funding for the Gorse Conversion Project has now been expended, staff will continue to work with landowners to remove gorse from the catchment.

#### 5. Plan Change 10 Implementation

The implementation of Plan Change 10 (PC10) is progressing well. At the time of writing, 32 resource consents have been granted and further applications are expected as reworked Nutrient Management Plans are finalised.

#### 6. Monitoring Incentives Agreements

Staff are continuing to monitor Incentives Agreements as required to ensure that the requirements of the Agreement and Deed are being met. A summary of monitoring is shown in Table 1. A copy of Table 1 identifying the landowners will be tabled at the meeting in the public excluded session.

**Table 1: Summary of Incentives Agreement Monitoring**

| Incentives Agreement | Date Signed    | Activation Date | Compliant |
|----------------------|----------------|-----------------|-----------|
| Landowner 1          | 31 Aug 2016    | 31 May 2021     | Yes       |
| Landowner 2          | 27 April 2017  | 1 Aug 2016      | Yes       |
| Landowner 3          | 1 Mar 2017     | 1 July 2017     | Yes       |
| Landowner 4          | 1 Jul 2017     | 31 Dec 2019     | Yes       |
| Landowner 5          | 15 Mar 2018    | 15 Mar 2020     | Yes       |
| Landowner 6          | 5 Mar 2018     | 5 Mar 2020      | Yes       |
| Landowner 7          | 28 Feb 2018    | 1 Jul 2018      | Yes       |
| Landowner 8          | 23 Jun 2017    | 31 Dec 2019     | Yes       |
| Landowner 9          | 21 August 2018 | 21 August 2018  | Yes       |

| Incentives Agreement | Date Signed | Activation Date | Compliant                         |
|----------------------|-------------|-----------------|-----------------------------------|
| Landowner 10         | 28 Jun 2018 | 31 Dec 2022     | Yes                               |
| Landowner 11         | 21 Aug 2018 | 21 Aug 2018     | Yes                               |
| Landowner 12         | 16 Aug 19   | 1 Sep 2019      | Monitoring scheduled for Nov 2019 |

## 7. Nutrient Discharge Management System

Staff are in the process of developing the Nutrient Discharge Management System to automate processes including the tracking of nitrogen shifts and transfers and the monitoring of committed actions in Nutrient Management Plans.

To date Phases 1 and 2 have been completed and Phase 3 is due for completion in December 2019.

## 8. Budget Implications

### 8.1 Current Year Budget

This work is being undertaken within the current budget for the Rotorua Catchments Activity in the Annual Plan 2018-2019 or Year 1 of the Long Term Plan 2018-2028.

### 8.2 Future Budget Implications

There are no implications for future expenditure other than that already expected and provided for.

## 9. Community Outcomes

The Rotorua Catchment Activity directly contributes to the Community Outcomes of Freshwater for Life and a Healthy Environment in the Long Term Plan 2018-2028.

The Rotorua Catchments Activity has the primary objective of contributing to the sustainable improvement of water quality in Lake Rotorua by 2032.

Rosemary Cross  
**Land Management Team Leader**

**for General Manager, Integrated Catchments**

**23 September 2019**





Receives Only – No Decisions

**Report To:** Lake Rotorua Incentives Committee

**Meeting Date:** 02 October 2019

**Report From:** Yvonne Tatton, Governance Manager

---

## 2019 Local Government Elections Update

---

### Executive Summary

The Local Government elections are being held on 12 October 2019 which effectively ends the 2016 -2019 Council triennium and its associated committee structure and appointments on various committees.

This report provides members with key information regarding the upcoming local government elections.

### Recommendations

**That the Lake Rotorua Incentives Committee:**

**1 Receives the report, 2019 Local Government Elections Update;**

#### **1 Background**

Elections of members to the Bay of Plenty Regional Council Toi Moana are held once every three years with the close of polling day being Saturday 12 October 2019. Elections for local government are conducted by way of postal voting.

#### **2 Establishing a new council**

Following the elections the 2016-2019 Council triennium ends and all of Council's committees established under the Local Government Act are disestablished including Lake Rotorua Incentives Committee. This means the term for the independent representatives on the Lake Rotorua Incentives Committee will end the day after the elections - 13 October 2019.

It is unclear at this stage whether the new Council will re-establish the Incentives Committee for the 2019-22 triennium.

Members are warmly thanked for their contribution, participation and involvement with the Incentives Committee during the last three years.

### **3 Budget Implications**

#### **3.1 Current Year Budget**

There are no budget implications associated with this report.

### **4 Community Outcomes**

The Lake Rotorua Incentives Committee directly contributes to the Healthy Environment/Freshwater for Life Community Outcome in the Council's Long Term Plan 2018-2028.

Merinda Pansegrouw  
**Committee Advisor**

**for Governance Manager**

**24 September 2019**