

**BEFORE THE BAY OF PLENTY REGIONAL COUNCIL**

**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 under clause 8B of Schedule 1 to the Act

**BETWEEN** **ROTORUA LAKES COUNCIL**

**Submitter**

**AND** **BAY OF PLENTY REGIONAL COUNCIL**

**Plan Change 10 Proponent**

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**SUMMARY OF EVIDENCE OF JAMES BRITTON FULLER  
(Planning)**

**Dated 6 March 2017**

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## **INTRODUCTION**

1. My name is James Britton Fuller. I am a planner with AECOM New Zealand in Hamilton. I have been requested by Rotorua Lakes Council (RLC) to give evidence on Plan Change 10 (PC10) to the Operative Bay of Plenty Regional Water and Land Plan (RWLP). On the basis that my evidence in chief is to be taken as read, I present this summary to support my main findings and conclusions.

## **PLAN CHANGE 10**

2. PC10 is the Bay of Plenty Regional Council's (BoPRC) response to reduce nitrogen discharges into Lake Rotorua (LR). The purpose of reducing the nitrogen is to manage the trophic level of LR and other key factors:
  - (a) The Trophic Level Indicator (TLI) target is 4.2 or lower. The TLI is set in Objective 11 of the RWLP;
  - (b) PC10 proposes to reduce nitrogen (N) from 755t/N/yr to 435t/N/yr to reach a sustainable TLI of 4.2. This will require a reduction of 320t/N/yr;
  - (c) 100t of nitrogen will be purchased from the agricultural sector through to 2022;
  - (d) Sector averaging: allocate an average level of nitrogen for each sector: dairy 35kg/N/ha/yr; dry stock 13kg/N/ha/yr; and forestry 3kg/N/ha/yr.
  - (e) Urban area is assigned 30t/N/yr;
  - (f) The methods for monitoring and reducing nitrogen only apply to land parcels over 10 acres; and
  - (g) OVERSEER<sup>®</sup> theoretical model that charts Nitrogen Discharge Allowance (NDA) via Farm Management Plans, requires tracking a number of inputs in relation to farm management;

- (h) Incorporates the grandparenting approach to nitrogen allocation which is based on historical farm activity and then sector averaged to calculate nitrogen allocation.
3. The RWLP proposes to reduce nitrogen from all sources but PC10 only targets the agricultural sector. Agricultural sources of nitrogen will reduce over time; this is based on allocating a percentage of current nitrogen discharge. Through a grandparenting approach farm x gets one allowance, and farm y gets something different.
  4. Over time BoPRC and Central Government will use an incentives programme (\$40 million) to purchase up to 100t/N/yr and remove it from circulation. This artificially sets the nitrogen allocation on some properties at levels based on historic land use. While this approach protects some landowners and their investment in the land and agricultural operations, it does not provide any incentive to change inefficient land use.
  5. BoPRC believes a cap and trade mechanism will determine the most appropriate agricultural activity for the land. This arguably fulfils obligations under the NPSFM and under section 31(1)(a-f) of the Resource Management Act 1991 (RMA), but does not promote the efficient use of the land.
  6. The current over-emphasis on reducing nitrogen from the agricultural sector and the grandparenting approach effectively prevents certain landowners from changing their land use, even if that use is more efficient and sustainable in the long term. A landowner can purchase nitrogen off another land owner to facilitate land use change, but as Mr Osborne indicates this would likely be cost-prohibitive. Retention of the current allocation method locks out future growth in urban areas unless nitrogen is purchased or traded between the urban and rural areas.
  7. While there is validity in acknowledging current land use practice and investment, the basis for nitrogen allocation needs to be fair and equitable to the entire community and minimise the economic and associated social costs that reducing nitrogen will create.

8. BoPRC has indicated it will review the science supporting PC10 in five years. In five years' time landowners may have reduced nitrogen on agricultural land and also exhausted the allocation fund. This does not give the Rotorua district many options if the science review concludes that further regulation and reduction of nitrogen discharges is required.
9. Provision needs to be made for the Rotorua district to grow. Plan changes undertaken by other regional councils illustrate how urban growth and its essential infrastructure can be provided for.

#### **COMPARATIVE REGIONAL PLAN INITIATIVES**

10. PC1 to the Operative Waikato Regional Plan expands on what a contaminant is and the benefit in reducing phosphorous, biological and sediments as a means of protecting the Waikato and Waipa River ecosystems and human health. The BPO approach focuses on getting the best environmental outcome balanced against costs. Variation 5 to the former Proposed Waikato Regional Plan sought to reduce nitrogen, but acknowledged that wastewater treatment (both on-site and in a municipal setting) needed to be included in the total nitrogen discharge for the Lake Taupo catchment.
11. The Horizons One Plan promotes the natural capital approach, determining the land use capacity for land and identifying land use classes. Nitrogen is then attributed to these classes and reduced. In my opinion, this approach lends itself to the identification of the best use of land from an agricultural perspective over time, based on a range of soil, topography and climatic features. It is not necessarily a simple solution and does have disruptive economic elements in the short term, albeit these appear to correct themselves over the longer term. The One Plan also acknowledges domestic wastewater and the contribution it makes to nitrogen management.
12. In my opinion, the natural capital approach or land use capability (LUC) could help PC10 in determining the best use of land. The natural capital approach does not have to force the agricultural sector to achieve nitrogen reductions overnight. But it might form part of a longer-term regulatory approach that gives some certainty while allowing land use to migrate across to reduced

nitrogen activities over a period of time. Help can be provided to landowners to transition the land to different activities.

### **CONCLUSIONS**

13. Mr Osborne concludes that the s32 evaluation and s42a report have not assessed all economic impacts. Mr Banks advises that improvements to RLC's WWTP are scheduled and, while expensive, will play a role in reducing nitrogen discharges through the adoption of the BPO. However, pressure will increase on the WWTP as growth in the District occurs. The transfer of nitrogen allocation from development and subdivision of former rural land to the WWTP is recommended as a means to partially offset growth. This proposition is currently being discussed between BoPRC and RLC, but should be incorporated into the PC10 policies and methods now in order to provide for the district's growth as set out in Mr Eccles evidence.

James Fuller  
7 March 2017