

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.