

The Chairman and Councillors
Rotorua Te Arawa Lakes Strategy Group

NOTICE IS GIVEN that the next meeting of the **Rotorua Te Arawa Lakes Strategy Group** will be held in **CR2, Rotorua District Council Civic Administration Building, 1061 Haupapa Street, Rotorua** on:

EMBARGOED
Until 2 working days before meeting on:

Monday, 1 March 2010

commencing at 10.00 a.m.

Bill Bayfield
Chief Executive

22 February 2010

Working with our communities for a better environment



Rotorua Te Arawa Lakes Strategy Group - Terms of Reference

Interpretation

In these Terms of Reference:

“Organisations” means the Te Arawa Lakes Trust, the Rotorua District Council and the Bay of Plenty Regional Council.

“Rotorua Lakes” means Lakes Rotorua, Rotoiti, Rotoehu, Rotoma, Okataina, Tikitapu, Okareka, Tarawera, Rotomahana, Rerewhakaaitu, Okaro and Rotokakahi.

“Group” means the Rotorua Lakes Strategy Group, formed as a Joint Committee under Clause 30 of Schedule 7 of the Local Government Act 2002.

Purpose

The purpose of the Group is to contribute to the promotion of the sustainable management of the Rotorua Lakes and their catchments, for the use and enjoyment of present and future generations, while recognising and providing for the traditional relationship of Te Arawa with their ancestral lakes.

Functions

The Group will initially have the following functions:

- (a) The provision of leadership to the Organisations and the community in relation to implementation of the Vision of the Strategy for the Lakes of the Rotorua District 2000.
- (b) The identification of significant existing and emerging issues affecting the Rotorua Lakes.
- (c) The preparation, approval, monitoring, evaluation and review of agreements, policies and strategies to achieve integrated outcomes for the Rotorua Lakes.
- (d) The identification, monitoring and evaluation of necessary actions by the organisations and other relevant organisations.
- (e) The receiving of reports on activities being undertaken by the organisations and other relevant organisations.
- (f) Involvement during the preparation of statutory plans in relation to significant issues. Such plans include but are not limited to iwi and hapu management plans, district and regional plans, reserve management plans and annual plans.

Involvement in applications for activities in relation to significant issues not addressed by existing policies of the co-management partners. Such activities include but are not limited to resource consents, designations, heritage orders, water conservation orders, restricting access to the lakes (during special events or in particular circumstances), and transferring and/or delegating of statutory authority.

Committee Membership

Chairman: Mayor K Winters (Mayor, Rotorua District Council)

Deputy Chairman: T Curtis (Chairman, Te Arawa Lakes Trust)

Members: J Cronin (Chairman, Environment Bay of Plenty), W Emery (Te Arawa Lakes Trust), Councillor N Oppatt (Environment Bay of Plenty), Councillor G Searancke (Rotorua District Council)

G Wigley (Manager National Environmental Standards, Ministry for the Environment)

Secretary: S Cubbon

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.

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Minutes

Minutes of the Rotorua Te Arawa Lakes Strategy Group Meeting held in CR2, Rotorua District Council Civic Administration Building, 1061 Haupapa Street, Rotorua on Thursday, 12 November 2009 commencing at 10.09 a.m.

Present:

Chairman: Mayor K Winters (Mayor, Rotorua District Council)

Deputy Chairman: T Curtis (Chairman, Te Arawa Lakes Trust)

Appointees: Chairman J Cronin (Environment Bay of Plenty), W Emery (Te Arawa Lakes Trust), Councillor N Oppatt (Environment Bay of Plenty), M Pinckard (Ministry for the Environment), Councillor G Searancke (Rotorua District Council)

In Attendance: Councillor R Bennett, B Bayfield (Chief Executive), A Bruere (Lake Operations Manager), E Grogan (Group Manager Water Management), A Heap (Planner), M Macleod (Group Manager Strategic Development), K Maki (Manager Sustainable Development Manager), W Murray (Group Manager Land Management), A Weatherley (Senior Communications Advisor), N Zaman (Senior Planner) from Environment Bay of Plenty. Councillors D Donaldson and K Hunt, P Guerin (Chief Executive), N Wharton (Director Environmental Services) from Rotorua District Council, R Mihinui (Chief Executive), H Smith (Executive Officer) from Te Arawa Lakes Trust, A Wignall (Remediation Analyst) from Ministry for the Environment, S Greenhalgh (Landcare Research), members of the public and S Cubbon (Committee Administration)

1 Minutes

1.1 Rotorua Te Arawa Lakes Strategy Group Meeting - 18 September 2009

Resolved

That the Rotorua Te Arawa Lakes Strategy Group:

- 1 Confirms the minutes of the Rotorua Te Arawa Lakes Strategy Group meeting held on 18 September 2009.**

**Oppatt/Cronin
CARRIED**

2 Reports

2.1 Update on Health Check Outcomes

Kataraina Maki delivered the report advising that the Health Check had been divided into two parts, the Group's constitutional decision-making process and improving how the Group operated. Independent legal advice on the terms of reference had been sought, and it was hoped to bring that report to the next meeting of the Group in February 2010.

Ideas to improve the way the Group operated were outlined for consideration and included rotation of the Chair and the inclusion of marae as meeting venues. It was noted that Te Arawa felt more comfortable on marae, and the Chairman of Te Arawa Lakes Trust offered to take a survey to see if people wished to do this. Members were in favour of holding an annual forum on marae. Rotation of the Chair would be considered at the inaugural meeting of the new triennium.

Committee Champion, Warwick Murray reported that much of what was presented to the Group was reactive, and he proposed that in future staff would bring a programme of work to the Group bi-annually.

Resolved

That the Rotorua Te Arawa Lakes Strategy Group under its delegated authority:

- 1 Receives the report, '*Update on Health Check Outcomes*'**
- 2 Decides on the following changes to the Group's operating arrangements:**
 - **Include marae as venues for forum**
 - **Provide coordinated partner organisation programme information**
 - **Provide coordinated partner organisation programme monitoring and reporting**
 - **Celebrate success**
 - **Hold funding discussions**
- 3 Confirms that the significance of the decisions has been assessed as LOW, and under Section 79 of the Local Government Act 2002 (LGA) confirms that in light of the level of significance of the decisions it does not require: (a) Further identification and assessment of different options under section 77 LGA; (b) Further investigation or consideration of community views under section 78 LGA; (c) Any further written record of the manner in which section 77 and section 78 matters have been addressed.**

**Searancke/Oppatt
CARRIED**

2.2 Assessment of Interventions for the Rotorua Lakes

Suzie Greenhalgh was in attendance to provide a PowerPoint presentation and high level analysis of the costs and benefits of different options that could contribute to purchasing and reducing nutrient discharges to the Rotorua Lakes. There were five intervention options: water quality (nutrient) trading, stewardship approaches, cost

share, reverse auctions and land retirement and Dr Greenhalgh assessed the strength and weakness of each. Cost and benefits, along with implementation considerations were outlined, and it was noted that no single intervention was likely to fully solve Rotorua Lakes water quality issues.

Resolved

That the Rotorua Te Arawa Lakes Strategy Group under its delegated authority:

- 1 Receives the report, 'Assessment of Interventions for the Rotorua Lakes'.**

**Searancke/Cronin
CARRIED**

2.3 Lake Rotorua and Rotoiti Action Plan Update

Environment Bay of Plenty Chief Executive, Bill Bayfield discussed items in his report providing the Group with an update on partner organisations' decision-making and outlining next steps regarding the Lake Rotorua and Rotoiti Action Plan. The current situation was that the Action Plan was ratified by the Te Arawa Lakes Trust on 14 September 2009, and by Rotorua District Council (with a review caveat) on 24 September 2009. The Regional Council had, however, resolved to let the matter lie on the table.

Mr Bayfield advised that key operational and policy actions identified in the Action Plan and included in Ten Year Plan and Annual Plans were being implemented. He pointed out that the resources to carry out an immediate review as requested by Rotorua District Council were unplanned and unfunded, and doing so would draw away resources currently allocated to key operational programmes aimed at improving water quality of the lakes.

Members discussed the progress being made with key policy work and requested that a review of the Lakes Rotorua and Rotoiti Action Plan be considered once the second generation Regional Policy Statement and District Plan were in place.

Resolved

That the Rotorua Te Arawa Lakes Strategy Group under its delegated authority:

- 1 Receives the report, 'Lake Rotorua and Rotoiti Action Plan Update'.**
- 2 Agree that a review of the Lakes Rotorua and Rotoiti Action Plan be considered once the second generation Regional Policy Statement and District Plan are in place.**
- 3 Encourages partner organisations to continue to implement the activities aimed at improving water quality for Lakes Rotorua and Lake Rotoiti as currently provided through their respective Ten Year Plans, Annual Plans and other documents.**
- 4 Confirms that the significance of the decision has been assessed as LOW, and under Section 79 of the Local Government Act 2002 (LGA) confirms that in light of the level of significance of the decision it does not require: (a) Further identification and assessment of different options under section 77 LGA; (b) Further investigation or consideration of community views**

under section 78 LGA; (c) Any further written record of the manner in which section 77 and section 78 matters have been addressed.

That the Rotorua Te Arawa Lakes Strategy Group recommend that the Partner Councils:

- 1 Continue to implement the activities aimed at improving the water quality of Lake Rotorua and Lake Rotoiti as currently provided within their respective Ten Year Plans, Annual Plans and other documents.**

**Searancke/Cronin
CARRIED**

2.4 Analysis of public feedback and approval of the Action Plan for Lake Rotoma

Senior Planner Nick Zaman from the Regional Council presented the report seeking approval of the Action Plan for Lake Rotoma. The consultation process undertaken was outlined and public feedback summarised. Common themes of the feedback were:

- Support for the Action Plan and its prompt implementation
- Support for reticulation and improvements to On-site Effluent Treatment Plan
- Differing opinions as to those seeking immediate use of regulation to manage nutrient inputs from land activities, and those wishing to try a voluntary stewardship approach.

Mr Zaman answered questions from members regarding retention of Action 1 to reticulate along the southern shore of Lake Rotoma.

Resolved

That the Rotorua Te Arawa Lakes Strategy Group under its delegated authority:

- 1 Receives the report, '*Analysis of public feedback and approval of the Action Plan for Lake Rotoma*'.**
- 2 Confirms that the significance of the decision has been assessed as LOW, and under Section 79 of the Local Government Act 2002 (LGA) confirms that in light of the level of significance of the decision it does not require: (a) Further identification and assessment of different options under section 77 LGA; (b) Further investigation or consideration of community views under section 78 LGA; (c) Any further written record of the manner in which section 77 and section 78 matters have been addressed.**
- 3 Agrees to the recommended changes to the Lake Rotoma Action Plan i – xviii as outlined in this report.**
- 4 Approves the attached track changes version of the Lake Rotoma Action Plan that implements the recommended changes i – xviii as outlined in this report.**
- 5 Agrees that sections 3-8 of the report will form the basis of the public feedback document.**
- 6 Delegates authority to the Group Manager Strategic Development Environment Bay of Plenty in conjunction with the Chair and an officer of**

the Rotorua Te Arawa Lakes Strategy Group, to oversee and approve the public feedback document.

- 7 Delegates authority to the Group Manager Strategic Development, Environment Bay of Plenty, to oversee minor editorial and formatting changes to the Action Plan for Lake Rotoma before it is forwarded to partner organisations.**

**Oppatt/Curtis
CARRIED**

2.5 Withdrawal of Proposed Plan Change 5 - Rule 14 (Lake Okareka) and Proposed Plan Change 6 - Rule 15 (Lake Okaro)

An update was received by the Group from Kataraina Maki on the withdrawal of two plan changes in response to legal advice. They were Proposed Plan Change 5 – Rule 14 (Lake Okareka) and Proposed Plan Change 6 – Rule 15 (Lake Okaro) to the Bay of Plenty Water and Land Plan, both of which were considered unworkable in their notified form. Submitters had not been contacted at the time of the previous meeting of the Group, so it had not been appropriate to discuss the withdrawal.

Both Okareka and Okaro lakes remained regulated under Rule 11, and Ms Maki advised the policy on managing and reducing nutrient discharges from land use was being considered in the development of the second generation Regional Policy Statement. The draft of this would be released for public comment in February 2010.

Resolved

That the Rotorua Te Arawa Lakes Strategy Group under its delegated authority:

- 1 Receives the report, '*Withdrawal of Proposed Plan Change 5 - Rule 14 (Lake Okareka) and Proposed Plan Change 6 - Rule 15 (Lake Okaro)*'.**

**Oppatt/Cronin
CARRIED**

2.6 Rule 11 Implementation Issues and Options

The Group Manager Water Management for Environment Bay of Plenty, Eddie Grogan provided members with an update on Rule 11 implementation, noting that the timeframe for provision of detailed information set four years ago had been unrealistic given problems experienced with computer models. The options for nutrient source assessment and benchmarking would be included in a communications plan being developed to ensure landowners were certain of how they could comply with the rule and had clarity regarding monitoring and enforcement requirements.

Resolved

That the Rotorua Te Arawa Lakes Strategy Group under its delegated authority:

- 1 Receives the report, Rule 11 Implementation Issues and Options.**

**Oppatt/Curtis
CARRIED**

2.7 Group Managers Report

A brief summary of key operational issues and achievements for the Rotorua Te Arawa Lakes Strategy Group was provided by Warwick Murray.

Eddie Grogan outlined a date-deferral plan change to the On-site Effluent Treatment Regional Plan. It involved deferring the date by four years in which resource consent for septic tanks would be required for several Rotorua Lakes communities. This was due to reticulation systems to which existing septic tanks could connect being made available after the 2010 deadlines, and the need for communities to have more certainty about the requirements.

A delay in releasing Quarterly TLI results for Rotorua Lakes due to a problem with test results for nitrogen in two of the lakes was reported. Mr Grogan advised it appeared the problem was not as significant as first thought.

The recent disappointing results of a farm dairy effluent compliance audit were discussed. High levels of serious non-compliance had been discovered, predominantly within the Lake Rotorua catchment. Mr Grogan told members that subsequent to the release of the audit results, meetings with DairyNZ and Federated Farmers had foreshadowed positive actions.

Lakes restoration projects and research programmes were detailed by Andy Bruere.

Warwick Murray reported on a meeting of the Rotorua Lakes Recreation Forum held in late October. Nigel Wharton informed the Group the Forum requested that the two Councils, in association with Te Arawa Lakes Trust, jointly fund and organise a monitoring regime to take place each summer to identify and assess the nature and extent of the pressures on Rotorua Lakes. The Forum also requested that the Councils jointly investigate whether the capacity and capability of current infrastructure and operational services was sufficient to meet the growing demands on the lakes. The Chairman of Environment Bay of Plenty pointed out that these activities were unbudgeted and unfunded, and the Chief Executives of the District and Regional Councils offered to work together to progress the matter. They undertook to report back to the Group if it was not possible to fund or complete it.

Resolved

That the Rotorua Te Arawa Lakes Strategy Group under its delegated authority:

- 1 Receives the report, Group Managers Report.**

**Oppatt/Searancke
CARRIED**

The meeting closed at 12.10 p.m.

Emerging Issues

Reports

File Reference: 4.00059
Significance of Decision: Receives Only - No Decisions



Report To: Rotorua Te Arawa Lakes Strategy Group

Meeting Date: 1 March 2010

Report From: Warwick Murray, Group Manager Land Management

Ministry for the Environment update

Executive Summary

Ms Rosemary Miller, Senior Analyst in the Natural Systems team at Ministry for the Environment, will provide the Committee with a verbal update on the New Start for Fresh Water.

1 Recommendations

That the Rotorua Te Arawa Lakes Strategy Group under its delegated authority:

- 1 Receives the report, Ministry for the Environment update.**

2 Introduction

Ms Rosemary Miller, Senior Analyst in the Natural Systems team, Ministry for the Environment, will provide the Committee with a verbal update on the New Start for Fresh Water.

3 Financial Implications

Current Budget

No financial implications for the current budget.

Future Implications

No future implication for the budget.

Ten Year / Annual Plan Implications

No Ten Year plan implications for implementing the decision

Anna Heap
Rotorua Lakes Project Manager
for Group Manager Land Management

12 February 2010

File Reference: 4.01128
Significance of Decision: Low



Report To: Rotorua Te Arawa Lakes Strategy Group
Meeting Date: 1 March 2010
Report From: Warwick Murray, Group Manager Land Management

Introduction to Land Use Futures Board reports and papers

Executive Summary

Environment Bay of Plenty has received three papers from the Land Use Futures Board for the Strategy Group's information and consideration.

The first paper titled "Land Use Futures Board Strategy for achieving its purpose" is for your information only. The paper sets out eight goals which the Board believes will deliver its purpose. For each goal the Board has identified the challenges it faces, responses to those challenges and the intended outcomes. The paper also spells out a list of principals that the Board has developed to guide its decision making.

The second paper is titled "Land Use Futures Board Position Paper" and makes seven recommendations associated with policy and interventions for the Strategy Group to consider. These recommendations relate to the Board's position on achieving nutrient reductions from land use with a focus on the Rotorua catchment. The Board's Acting Chairman, Bill Cleghorn, wishes to talk to this paper using a PowerPoint presentation.

The third paper, titled "Land Use Futures Board Membership and Structure", provides an update on recent events that have affected the Board's membership and requests the Strategy Group's approval to replace the DairyNZ representative (at their request), reshape the Meat and Wool representative position and create a new position for Māori large land holders.

1 Recommendations

That the Rotorua Te Arawa Lakes Strategy Group under its delegated authority:

- 1 Receives the report, Introduction to Land Use Futures Board reports and papers.
- 2 Confirms that the significance of the decision has been assessed as LOW, and under Section 79 of the Local Government Act 2002 (LGA) confirms that in light of the level of significance of the decision it does not require:
(a) Further identification and assessment of different options under section 77 LGA; (b) Further investigation or consideration of community views under section 78 LGA; (c) Any further written record of the manner in which section 77 and section 78 matters have been addressed.

2 Financial Implications

Current Budget

There are no implications to current budgets.

Future Implications

The Land Use Futures Board's Position Paper makes recommendations relating to the lack of sufficient funding to support land use change and to the development of an extension service. If the Strategy Group adopted these recommendations then the member organisations will need to assess to likely implications on budgets.

Ten Year / Annual Plan Implications

If the Strategy Group adopts the recommendations discussed in the above paragraph then the member organisations will need to assess the priorities on implementing the recommendations and decide whether changes are needed to Annual Plans or whether to wait the amend Ten Year Plans during their next review.

Greg Corbett
Manager Land Resources (Rotorua)

for Group Manager Land Management

12 February 2010

Appendix



Strategy

A Plan for Achieving its Purpose

November 2009

LUFB Purpose

“To give leadership to and advise on implementing sustainable land use management and land use change in the Rotorua Lakes Catchments that will achieve the land based component of nutrient reduction targets defined through the various action plans.”¹

The nutrient reduction targets are summarised in Appendix 1. The reductions required from land use in the Lake Rotorua Catchment pose the greatest challenge to land owners. Hence, The Rotorua Catchment is a key focus for the Boards activities.

Goals

1. An approach for achieving nutrient reduction targets is established, which does not come at the expense of the economic sustainability of land owner businesses.
2. Any policy frameworks or regulations developed for land management are equitable, flexible and implementable, and are economically, socially, culturally and environmentally acceptable.
3. Create opportunities by ensuring best current mitigation actions are adopted and that future land use options and flexibility are optimised for land owners.
4. Implementation of the agreed mitigation actions for land users is effectively supported to ensure maximum uptake.
5. Land owners are provided with maximum long term certainty
6. Communications on land use management and change are timely, clear, accurate and respectful.
7. Relationships between LUFB members are maintained and enhanced through robust debate.
8. The activities and recommendations from LUFB are seen as credible, likely to influence political decision making and are supported by key stakeholders.

¹ This is the primary purpose as defined in the LUFB Terms of Reference

Guiding Principles²

Broad guiding principles that LUFB will promote and advocate for when undertaking its purpose are:

- Science is proven and generally accepted before being used to support policy
- Policy is structure to allow for ease of review and incorporation of new science and technology
- Cost of solutions are shared fairly across the whole community
- Compensation for loss of property or ownership rights is paid for by the whole community
- Solutions optimise wealth creation opportunities
- All promoted mitigation actions should have measurable outcomes
- Policies should be equitable across all landowners
- Policies or actions should be acceptable to the majority of affected stakeholders
- Land use flexibility is optimised through Regional and District plans
- Councils role is to enable and empower resource owners
- Historic nature of the in-lake problem is acknowledged by community and reflected in policy
- Land use flexibility is provided for within a catchment-wide target.
- Communications are accurate, respectful and timely
- Promoted actions or solutions should not detract from identified key community values³

Challenges for the Board

- Sufficient time and trust to create and maintain a more collaborative approach
- Moving forward respectfully with all parties involved
- Maintaining the distinction between LUFB role in process and role of member stakeholders in wider process
- Keeping up with the range of agencies activities and processes
- Developing and maintaining communication between key stakeholders to build understanding, involvement and trust
- Having adequate time and resources to assess required information to make informed decisions

² A principle is a fundamental doctrine or assumption that provides a basis for reasoning or action. They set out important underlying values, premises and approaches to guide how strategy will be implemented, providing guidance on how goals and objectives should be achieved.

³ Rotorua Lakes Strategy (2000): Five key community values:

- The right of public access, use and enjoyment of the lakes.
- The principle of guardianship (described as kaitiaki when exercised by the tangata whenua) and the protection of the mauri of the environment (indicating that the environment has a life force of its own and is not an inert, lifeless object).
- The principle of sustainable resource management (ensuring each generation can continue to use and enjoy the resources of the Rotorua district).
- The significance of community pride in the lakes reflected in the notion of “te mana o Te Arawa”.
- The requirement to take into account the principles of the treaty and to provide for the relationship of tangata whenua with their ancestral resources.

Planning Actions

The LUFB Goals will be advanced by working on the following actions:

Goal 1: Approaches to achieving nutrient reduction targets are established, which does not come at the expense of the economic sustainability of land owners.

Challenges

- Where and when to influence decision making
- Defining equity and fairness

Responses

- a) Advocate for fair treatment of all land owners, especially around allocation of discharges, impacts on property/proprietary rights and compensation for loss.
- b) Strongly advocate for equitable treatment of underdeveloped land in the lake catchments
- c) Request that economic analysis (benefit – cost) of any land use management or mitigation options, policies or scenarios is undertaken to achieve informed decision making.
- d) Promote and advocate for the use of incentives in balance with any regulation to assist required change
- e) Investigate and promote methods to improve economic outcomes (higher/better land uses, nutrient trading).
- f) Define through case studies, reasonable expectations of costs and benefits to businesses for their roles in outcomes required.

Success will be

- Any catchment restriction alone does not make existing land owners businesses uneconomical.
- All land owners are treated equitably.
- Targets are met by the most cost effective method for the whole community

Goal 2: Any policy frameworks or regulations developed for land management are equitable, flexible and implementable, and are economically socially, culturally, and environmentally acceptable.

Challenges

- Awareness of timeframes and responding appropriately
- Keeping in touch with policy processes

Responses

- a) Advocate policy development is informed by robust science.
- b) Advocate for economic analysis when considering application of policy tools.
- c) Provide timely advice and recommendations on policies (EBOP RPS review, any Rule 11 review and RDC District plan review) that represent cross-sector views on policies.
- d) Evaluate and promote incentive mechanisms that could be included into policy

Success will be

- LUFB is recognised as an integral part of the policy development process

- Policies developed are equitable, flexible, and implementable for land owners
- Best balance between four community outcomes is achieved

Goal 3: Create opportunities by ensuring best current mitigation actions are adopted and that future land use options and flexibility are optimised for land owners.

Challenges

- Time and resources to assess options
- Fragmentation of effort
- Coordinating between agencies

Responses

- a) Assess suitability of nutrient mitigation and land management options being considered, and make recommendations on preferred options.
- b) Identify gaps in current practices and advocate for further research and land use innovation.
- c) Encourage collaboration across industry sectors to achieve consistent, informed and supported best practices actions within the catchment.
- d) Encourage cross sector sharing of information, research and techniques.
- e) Evaluate potential of existing industry Environment Management Systems (EMS) for inclusion in toolkit

Success will be

- Land use flexibility is maintained and diversification of land use occurs.
- Effective cross sector/agency collaboration occurs.

Goal 4: Implementation of the agreed mitigation actions for land users is effectively supported to ensure maximum uptake.

Challenges

- Funding for implementation.
- Coordination of agencies with differing objectives.
- Attracting national support for a collaborative extension approach

Responses

- a) Advocate for the establishment of a specific lakes district extension programme for land management that would enhance uptake and effectiveness of mitigation options.
- b) Work with industry sectors to encouraged development of specific actions / services for nutrient loss mitigation, and the development of a “Toolbox” of recommended methods and action, with supporting material that is maintained.
- c) Promote the use of and assist in identifying the use of case studies of land use and nutrient mitigation options.
- d) Advocate for extension service resources from appropriate agencies.
- e) Advocate for specific local science services and facilities to

support initiatives.

- Success will be**
- Establishment of an effective resourced extension service.
 - Uptake and implementation of nutrient mitigation options meets reduction targets.

Goal 5: Land owners are provided with the maximum long term certainty.

- Challenges**
- Competing timeframe expectations between land owners and community

- Policy review timeframes are relatively short

- Responses**
- a) Advocate for realistic timeframes for land management changes

- b) Promote the establishment of policy framework that is in-line with LUFB Principles and provides long-term guidance

- Success will be**
- Investment in and productive capacity of land use continues

Goal 6: Communications on land use management and change are timely, clear, accurate and respectful.

- Challenges**
- Differing views and agendas
 - Need for impartiality
 - Available resources
 - Timely process for seeking 'agreement' on content and process

- Responses**
- a) Advise on and input to the development of a Communication Plan to communicate with and receive feedback from the community.
 - b) Where possible provide agencies with advice on specific communication and engagement activities to achieve meaningful outcomes.
 - c) Work with the key agencies to promote accurate and respectful communications with a 'no surprises' policy.
 - d) Advocate and provide recommendations for improving land owner awareness of current situation (current targets and what it means to them).
 - e) Promote the communications of both progress towards targets, and the extent and types of actions undertaken by land owners.

- Success will be**
- Improved relationships between stakeholders and agencies
 - High level of awareness of the issues and solutions

Goal 7: Relationships between LUFB members are maintained and enhanced through robust debate.

Challenges

- Differing objectives
- Respect and understanding of each others issues
- Time to develop relationships
- Changing representatives

Responses

- a) LUFB members actively contribute to board actions and maximise their attendance.
- b) Information should be provided in timely manner to allow due consideration prior to meetings and new issues for consideration are raised in an appropriate context.
- c) Encourage robust debate in a group where differing opinions and the individual are respected.
- d) Work collaboratively to investigate solutions for specific issues

Success will be

- Ability for the group to hold robust discussions
- Member show and receive mutual respect and trust
- LUFB is a productive group that moves forward to achieve it's goals

Goal 8: The activities and recommendations from LUFB are seen as credible, likely to influence political decision making and are supported by key stakeholders.

Challenges

- Maintaining relevance in process
- Reacting to agency timetables to make timely contributions

Responses

- a) LUFB provides a clear strategic direction for it's activities
- b) Regular reporting to RTALSG on LUFB activities and recommendations, and annual reporting on progress towards achieving it's goals
- c) Progressive and timely agreed recommendations on mitigation actions for a land use implementation plan are developed
- d) Actions and outputs are timely and relevant, fitting into timeframes and key dates for policy development review and processes.
- e) Members maintaining a distinction between LUFB and personal opinions
- f) Clear records of Board debate and agreements is maintained, including tracking on outstanding issues.

Success will be

- Continued support for LUFB activities and recommendations.
- A wider range of solutions are considered for policy development and implementation
- Policy outcomes are more balanced, implementable and effective.

Appendix 1: - EBOP Targets for Land Use

Nutrient Reduction targets for the lakes are defined in lake specific action plans.

Lake Rotorua: The nutrient reduction target for Lake Rotorua catchment by 2029 is:

- 250 T N/yr
- 10 T P/yr

The estimated reduction target required for Lake Rotorua by 2250 is 311 T N/yr.

Specific targets for the reduction of nitrogen and phosphorous losses from land use are currently only defined for Lake Rotorua.

Lake Rotorua	Total Target	Milestones	Reductions by Action	Proposed Actions
	Nitrogen 170 T N/yr by 2029	30 T N/yr by 2012 86 T N/yr by 2019 170 T N/yr by 2029	30 T N/yr 56 T N/yr 84 T N/yr	Best management practices. Applying known technology. Applying future technology.
	Phosphorus 6 T P/yr by 2029	3.5 T P/yr by 2019 6 T P/yr by 2029	3.5 T P/yr 2.5 T P/yr	Applying known technology. Applying future technology.

Lake Rotoiti: Nutrient reductions required are proposed to be met by specific interventions, such as the diversion wall. No specific land use targets for nutrient reduction have been defined.

Lake Okaro: 348 kg N/yr, 16 kg P/yr constructed wetlands; 423 kg N/yr, 37 kg P/yr riparian management; 139 kg N/yr best management practice.

Lake Rotoehu: Land use management/changes reduction target 6.7 T N/yr, 450 kg P/yr

Lake Rotoma: Action plan in draft form, proposed reductions through stewardship approach

Lake Okareka: Nutrient reductions 2.32 T of N/yr and 0.07 T of P/yr

Appendix



Position Paper

Achieving nutrient reductions from land use in the Rotorua catchment

December 2009 – Final

Purpose of Position Paper

This paper outlines the current position of the Land Use Futures Board on land use practices and mitigation options available to achieve the nutrient reduction target from land use (170 T N/yr, 10 T P/yr) for Lake Rotorua by 2029.

It provides guidance and advice to Rotorua Te Arawa Lakes Strategy Group on the evolving policy framework for the Lake, and on the current mitigation options available for assessment. It also identifies areas for further investigation and research. It highlights a number of outstanding issues that the Board feel need to be addressed to create a workable enduring solution for the whole community.

1. Background

The Land Use Futures Board (LUFB) is an important forum that allows landowners from across the Rotorua/Te Arawa Lakes catchments to come together to help develop solutions for achieving the land management change that is required to enhance and maintain the quality of the area's lakes.

The strength of LUFB is that it brings together a wide range of land owners and stakeholders to discuss and contribute to the development of a robust policy framework that can achieve the community's desired outcomes. However, the breadth of LUFB members also presents challenges on achieving agreement in regards to working towards key outcomes.

This position paper specifically defines LUFB's current views on potential approaches, methods and actions to achieve the land use reduction targets as outlined in the Lakes Rotorua and Rotoiti Action Plan (LRRAP) 2009. This is a core role for LUFB to play and is defined in the Boards Terms of Reference. LUFB also provides advice and leadership from a land owner's perspective for policy development.

LUFB recognises that without an acceptable RMA Policy Framework, the implementation of any Interventions Framework to achieve the nutrient reduction targets will be difficult if not unachievable. Hence, this position paper makes clear comment on both the Policy Framework and the preferred content of an Interventions Framework.

2. Summary of Position

In summary, the LUFB position on the actions required to achieve the land use reduction targets defined in the LRRAP are:

Policy Framework (See Section 4 for further detail)

- That Rule 11 needs to be replaced with a new regulatory framework within the Land and Water Plan that:
 - Provides more certainty to landowners (30+ years to reflect the investment certainty required) by being clear about the proposed interventions and the requirements that will be placed on landowners.
 - Is flexible and allows for innovation
 - Provides for “equity equalisation” (movement from “grandparent” allocation to “land capability”) over time and optimises the land use potential in catchments and the community.
 - Re-evaluates the allocation of nutrient discharge rights that have been created by Rule 11 and seeks to establish an allocation outcome that is consistent with the allocation principles describe in 4.2.
- That the development of this new regulatory framework is advanced with urgency, as it is seen as the catalyst to advancing the whole lake management issue.
- The development of current and future policy options should be evaluated against the criteria outlined in Section 4.1.
- Provisions in the District plan should be enabling, provide vision and be supportive of land use flexibility/change.

Interventions Framework (See Section 5 for further detail)

- That the allocation of public funds to support land management change required for nutrient reduction is currently insufficient. Adequate funding should be allocated to achieve the reductions that can not be reasonably achieved through use of appropriate existing technology.
- That, additional nutrient reduction requirements, over and above good practice and existing technology, should be achieved through the use of public funds.
- To create a fairer outcome it is recommended that in achieving the land use targets the following approach is adopted as part of the framework:
 - Land owners develop a whole farm management plan that identifies suitable BMP's¹ and mitigation options for their activities/location. These are implemented at the cost of the landowner.
 - Farm management planning and other mitigation implementation is supported by a specific 'lakes area' extension service.
 - The uptake of known and evolving research technologies are incentivised through support from public funding, including case studies and ongoing extension.
 - Any additional reductions required in addition to those achieved via the above points are achieved through public funding.
- The development of options for inclusion in the Interventions Framework should be evaluated against the criteria outlined in Section 4.1.
- Specific extension services for the lakes area should be established to assist and incentivise implementation of interventions and mitigation options.
- Economic analysis should be provided for all proposed interventions and mitigation options.
- Develop a clear land use research strategy.

¹ Best Management Practices: are specific to a property, aim to minimise nutrient loss, technically proven and economically sustainable.

Future LUFB Actions

The LUFB has identified a series of actions to focus on in the next 6-12 months that will allow it to further support the development of a policy and interventions framework for the Lake Rotorua catchment (See Section 6 for further detail).

3. Nutrient Targets by 2029

The land use nutrient reduction targets are outlined in the **LRRAP** as:

Lake Rotorua: The nutrient reduction target for Lake Rotorua catchment by 2029 is:

- 250 T N/yr
- 10 T P/yr

The estimated reduction target required for Lake Rotorua by 2250 is 311 T N/yr.

Specific targets for the reduction of nitrogen and phosphorous losses from land use are currently only defined for Lake Rotorua.

Lake Rotorua	Total Target	Milestones	Reductions by Action	Proposed Actions
	Nitrogen	30 T N/yr by 2012	30 T N/yr	Best management practices.
	170 T N/yr by 2029	86 T N/yr by 2019	56 T N/yr	Applying known technology.
		170 T N/yr by 2029	84 T N/yr	Applying future technology.
	Phosphorus	3.5 T P/yr by 2019	3.5 T P/yr	Applying known technology.
	6 T P/yr by 2029	6 T P/yr by 2029	2.5 T P/yr	Applying future technology.

These reductions are expected to be achieved through the application of best management practices, innovation and new technology (Section 4.2.4 LRRAP) and to be achieved in the following stepwise approach:

- 30 tonnes of nitrogen/yr (2012) removed using best management practices. This is expected to be achieved with economically viable farm management options.
- Another 56 tonnes of nitrogen/yr and 3.5 tonnes of phosphorus/yr (2019) are expected to be achievable using farm management options that will adopt known research technologies.
- Another 84 tonnes of nitrogen/yr 2.5 tonnes of phosphorus/yr (2029) is expected to be achieved using other research and management initiatives which will evolve over time to make this target realistic.

LUFB acknowledges the establishment of these targets. However, it would like to highlight three points:

1. The targeted reductions based on applying future technology are uncertain and carry a high level of associated risk. Landowners do not want to be the carriers of this uncertainty and risk in future.
2. Future improvements in science and understanding of the lake may change the emphasis of these targets. Any changes should be equitably applied.
3. The target of 84 T N/yr reduction to be achieved through future technology is vague and needs more clarity around how it will be achieved.

The achievement of the nutrient reduction targets as required by the Lakes Rotorua and Rotoiti Action Plan will require considerable support and buy-in from land owners if they are to be achieved. The recommendations in this paper focus on actions to engender land owner support for

the Policy and Interventions Frameworks as well as the achievement of the nutrient reduction targets.

4 Policy Framework

This section of the position paper focuses on the current policy processes and issues that relate to the Rotorua lake catchment. The context for this section is set by LUFB defining important evaluation criteria and policy options.

4.1 Evaluation of Policy and Intervention Options

When assessing the suitability of land management practices, interventions or policies the following specific criteria that should be applied. LUFB has developed a list of key criteria they will use for evaluating policy and intervention options:

1. Property and ownership rights are respected
2. Polluter should pay, but recognise current versus historic contributions
3. All options should have a benefit cost analysis
4. Based on current and proven science
5. Social, cultural, economic and environmental aspects are be taken into account and it improves the aggregate bottom line
6. Enhances economic growth and opportunity
7. Land use flexibility is optimised
8. It makes a measurable contribution to improving lake health
9. Longevity and resilience of solution
10. Solution or policy is be equitable across all landowners
11. Policies or actions are acceptable to the majority of affected stakeholders
12. Supported/promoted by sectors/industry (i.e. EMS, benchmarks, BMP)
13. Timeframe is rational and effective
14. Provides incentive for the positive outcome
15. Encourages innovation
16. Enhances collaborative project/ideas

LUFB Recommendation: That other agencies involved in the lake management utilise these or similar criteria in their decision making.

4.2 Policy Options

Lake Rotorua has a large catchment with a numerous and diverse range of land owners and the lake water quality is less than the communities desired target.

LUFB considers that there are primarily three options available for management of nutrient loss within a catchment to achieve a specific water quality target for a lake.

Option	Process
1. Cap – Allocate	<p>In this case no reduction is required, either the lake quality is near the target level, or a decline below the target is permissible or expected to not be significant.</p> <p>The total nutrient loss from land use is capped at current levels. Individual properties can be capped at their current level (this equates to a grand-parenting allocation of discharge rights), or an allocation method for distributing the discharge rights across the catchment can be determined (i.e. averaged [x kg/ha], grand-parented, sector averaged [x kg/ha for dairy, y kg/ha for sheep], Land use capability [x kg/ha for class1 land, y kg/ha for class 2 land])</p>

Option	Process
2. Cap – Allocate – Reduce	<p>In this case there is a significant difference between the current water quality (worse) and the lake target. Allocation can occur as outlined above.</p> <p>There are three process options to achieve the reduction:</p> <ul style="list-style-type: none"> a) voluntary reductions, where land owners take actions to reduce their nutrient losses b) ‘sinking lid’ where land owners discharge allocation reduce over time to achieve the required target c) incentivised reductions through public funds to achieve target reductions
3. Reduce – Allocate – Cap	<p>In this case there is also a significant difference between the current water quality (worse) and the lake target</p> <p>Under this method the required nutrient reduction to achieve the lake target is taken off the current catchment discharge total. The remaining amount is allocated back to land owners under some agreed allocation method. The catchment total is then capped at the new target level. These three steps are implemented simultaneously through a regulatory mechanism.</p>

Table 1 – Main Policy Options

In all cases above once a ‘cap’ on nutrient discharges from land use in a catchment is established the right to discharge becomes seen as an asset of some value. Given this the concept of allowing for ‘nutrient trading’ as part of the policy framework would assist in land use flexibility and incentivise efficiency of nutrient use. Although it is hard to see how this could work in an environment where voluntary reductions were expected from land owners.

4.3 Regional Water and Land Plan

Rule 11 of the Regional Land and Water Plan sets the current requirements for land owners in the Rotorua lake catchment. LUFB acknowledges the need for a mechanism to control nutrient loads into Lake Rotorua, of which the current cap under Rule 11 is a starting point.

Rule 11 has established a cap and allocate policy framework and current discussions are primarily around methods of achieving the required reduction in nutrient losses. The allocation mechanism used under Rule 11 has been grand-parenting. LUFB considers this has created significant inequities, particularly for underdeveloped land (e.g. some Maori owned land).

With respect to determining allocation LUFB considers important principles to be:

- Equity should be achieved across land uses
- Certainty on the regulatory framework is provided to support decision making
- Gains already made are recognised
- Promote a system, that in the longer term recognises land capability (ecological carrying capacity), but recognises a starting point may be close to a “grandparent” approach.

EBOP has reviewed the effectiveness of Rule 11 in 2009. The outcome of this review considers that Rule 11 is achieving its role and the Council has indicated that the rule will not be reviewed.

LUFB Recommendation: That Rule 11 needs to be replaced with a new regulatory framework within the Land and Water Plan that:

- Provides more certainty to landowners (30+ years to reflect the investment certainty required) by being clear about proposed interventions and the requirements that will be placed on land owners.
- Is flexible and allows for innovation.

- Provides for “equity equalisation” (movement from “grandparent” allocation to “land capability”) over time and optimises the land use potential in catchments and the community.
- Re-evaluates the allocation of nutrient discharge rights that have been created by Rule 11, and establishes an allocation outcome that is consistent with the principles describe above.

LUFB Recommendation: That the development of this new regulatory framework is advanced with urgency, as it is seen as the catalyst to advancing the whole lake management issue.

The possible interventions and options that could be part of any new regulatory framework to achieve the target nutrient reduction are discussed in section 5. In developing policy to cap, allocate and then reduce nutrient losses, options should be evaluated against the defined criteria in section 4.1.

Supportive policy for land owners and sector support is essential if an enduring solution is to be created and implemented.

4.4 Regional Policy Statement (RPS)

A summary of recommendations on the RPS made by LUFB was presented to RTALSG²

LUFB will continue to advocate for these recommendations and any other emerging issues through the development of the RPS.

4.5 Rotorua District Plan

A summary of recommendations on the District Plan made by LUFB was presented to RTALSG²

LUFB Recommendation: That the District Plan focuses on being enabling and provides a clear vision. Further consideration in the District Plan review should be given to:

- **Minimise goals that are inconsistent with nutrient reduction objectives – (i.e. visual landscape rule discouraging tree planting),**
- **Ensuring a common focus between councils, and**
- **Enables land use change that achieve nutrient reductions (i.e. less prescriptive, enables innovation and supportive subdivision rules and zoning).**

5 Interventions Framework - Assessment of Nutrient Reduction Options

It is proposed in the LRRAP that: “an Interventions Framework will be developed over time which improves our knowledge about potential interventions both regulatory and non regulatory and their ability to help reduce nutrients. The interventions work will build in an analysis of macro and micro level costs and benefits. We should also see improved relationships between all stakeholders by adopting a collaborative approach to land management.”

The primary purpose of this position paper is to support the development of this Interventions Framework. This section outlines LUFB position on nutrient reduction options as part of this framework.

5.1 Support for Land Use Change and Nutrient Mitigation

The current intervention proposed in the LRRAP relies heavily on “adopt known research technologies”³ and “research and management initiatives which will evolve over time to make this target realistic”.

² Summary of Recommendations from the Land Use Futures Board to the Rotorua Lakes Strategy Group - June 2009 (Document No A313641)

LUFB considers that these approaches have a high level of uncertainty and risk and it will be the land owners who are expected to live with and deliver to this uncertain outcome.

In general, the activities that have led to the current quality issues in the lake are the result of legitimate historic actions that have been undertaken by land owners, industries, councils and the community.

LUFB advocates that the correction of these past practices is a community wide issue and the historic issues should be funded accordingly, by the whole community. The cost of future changes required across the community should be fair and equitably applied. For example the correction of on-site sewage issues in Lake Rotorua are being mitigated at the cost of \$28.5m (for 11 T N/yr) yet support for land management change is only \$9.5m (for 170 T N/yr)⁴.

Land owners have been operating under the 'rules of the day' just like other resource users in the catchment. Land owners are also prepared to contribute to the enhancement of Lake Rotorua through improving their land management practices and activities. The Board believes that the cost of implementing solutions should be shared equitably between current land users and the wider community. Sufficient support should be provided to cover the uncertainty of achieving the reductions currently tagged under 'future technology' (84T N/yr) and to assist the implementation of any new regulatory framework with land owners. The land use nutrient reduction goals in Lake Taupo are being supported by a significant portion of public funds (\$72 million to remove 154 T N).

LUFB Recommendation: That the current allocation of public funds to support land management change required for nutrient reduction is insufficient. Adequate funding should be allocated to achieve the reductions that can not be reasonably achieved through use of appropriate existing technology.

LUFB recognised that it is appropriate for land owners to implement current best practices that are applicable to their property and farm systems and to uptake existing technology as part of their commitment to environmental stewardship. However, further required reductions should not come at the cost to land owner equity.

LUFB Recommendation: That these additional nutrient reduction requirements, over and above good practice and existing technology should be achieved through the use of public funds.

To create a fairer outcome it is therefore recommended that in achieving the land use targets the following approach is adopted as part of the framework:

1. Land owners develop a whole farm management plan that identifies suitable BMP's and mitigation options for their activities/location. These are implemented at the cost of the landowner.
2. Farm management planning and other mitigation implementation is supported by a specific Lakes Area extension service.
3. The uptake of known and evolving research technologies are incentivised through support from public funding, including case studies and ongoing extension.
4. Any additional reductions required in addition to those achieved via the above points are achieved through public funding.

5.2 Intervention Approaches Being Considered

Given a policy approach of cap, allocate and reduce (Table 1), there are three process options to achieve the reduction:

- a) Voluntary reductions, where land owners take actions to reduce their nutrient losses.
- b) Regulatory reductions, a 'sinking lid' where the land owners' discharge allocations are reduced over time to achieve the required target.
- c) Incentivised reductions through public funds to achieve target reductions.

³ Rotorua Te Arawa Lakes Strategy Group - Lakes Rotorua and Rotoiti Action Plan - 2009

⁴ Figures from Table 2.1 – Rotorua Lakes Funding Deed

The recommended approach for a fairer outcome as outlined above (end of Section 5.1) is seen as a mixture of all three methods.

A range of interventions were reviewed in a report prepared for EBOP⁵. LUFB has considered these interventions and offers initial comments:

Key

- ☺ - perceived benefits
- ⊖ - areas of concern
- Σ - current overall view

Nutrient Trading

- ☺ Can provide flexibility to land owners
- ☺ Encourages innovation
- ☺ Provides for exchange of nutrient discharge allocation between point source and non-point source
- ☺ Trading is performance and not practice based

- ⊖ It is not a nutrient reduction tool on its own and requires a regulatory framework in which to operate.
- ⊖ New concept and uncertain about how it would work and other consequences

- Σ Seen as potentially an important tool to provide for land use flexibility and innovation provided management of the trading system is not too complex, expensive or bureaucratic

Cost share

- ☺ A useful method for leveraging industry/public and cross agency funding to achieve outcomes (e.g. research and innovation)
- ☺ Could encourage uptake and use of nutrient reduction practices as it reduces the risk in undertaking actions

- ⊖ Typically practice based and not performance based
- ⊖ Potential to be inflexible if supported 'appropriate practices' are too prescriptive
- ⊖ 'Squeaky wheels' tend to get the most funding
- ⊖ Outcomes and learning are not always shared with the wider community

- Σ Should be explored further to encourage achievement of outcomes, as long as the sourcing and allocation of funding is equitable and consistent with other interventions

Reverse auctions and tenders

- ☺ In theory a cost effective method of using funding to achieve a reduction
- ☺ Could be utilised to identify areas for land retirement on private land
- ☺ Encourages innovation

- ⊖ A new concept and would require up skilling by land owners to encourage involvement

- Σ Should be investigated further to identify specific options for use within the Lake catchment, and further develop methodology for implementation.

Stewardship approaches

- ☺ MoU and MoE are seen as useful tool particularly for engaging with Maori
- ☺ Reflects a positive consensus by parties
- ☺ Low transaction cost

- ⊖ Uncertainty about how individual stewardship agreements would work when there are multiple land owner groups (sector based, also ownership structure)

⁵ S. Greenhalgh, S (2009) Assessment of Interventions for the Rotorua Lakes. Landcare Research Contract Report LC0910/021

- ⊗ Limited transparency of agreements and understanding by community
- ⊗ The voluntary approach may not provide enough certainty for the required use of public funding or additional on farm investment
- Σ The voluntary element has merit but difficult to see how it would work in conjunction with proposed policy framework and other interventions

Land retirement

- ⊕ If supported through funding it could achieve a significant portion of the required reduction
- ⊕ It can achieve additional outcomes which benefit the environment and community
- ⊕ May achieve better alignment with land capability
- ⊗ Has the potential to reduce the economic productivity of the land
- ⊗ Funding may be required to implement
- ⊗ Retired 'reserve' land still requires on-going management, which comes at a cost
- Σ If implemented appropriately this intervention could assist in achieving the nutrient reductions and add other values to the catchment and community (i.e. biodiversity, recreation, erosion control, visual)

Further evaluation of these interventions will be required in the context of any future regulatory framework that might be developed. LUFB's intention is to continue discussion and consideration of these and other interventions and provide further recommendations to Rotorua/Te Arawa Lakes Strategy Group.

5.4 Application of Best Practice

In the application of BMP's LUFB considers the "one size fits all" approach doesn't work. Careful consideration needs to be given to the application of BMP's as not every farm is the same or can achieve the same outcomes for different practices.

LUFB therefore advocates for the approach that:

- It is about the principle of doing the best on each farm. Principles are applied to specific sites not practices (i.e. keep animals out of streams, prevent soil erosion).
- Ensures the most appropriate application of BMP's is through a specific Farm planning and extension service approach.

5.5 Extension services

LUFB considers that the development of an extension service should be a key part of the interventions framework. It should:

- Be a specific lakes district extension programme - a joint EBOP and industry initiative
- Ensure adoption of new practices and science

LUFB Recommendation: That an extension service is a key part of the interventions framework to encourage uptake of technology and assist in implementation of any regulatory framework.

6 LUFB Strategy for further refinement of options

The LUFB will undertake the following actions in the next 6-12 months to further advance its understanding of existing and potential options, so as to be in a position to add further clarity and recommendations to the policy development and Interventions Framework:

- Identify the extent of inequity that has been established for underdeveloped land by the introduction of Rule 11, explore solutions to provide economic opportunities to underdeveloped land.
- Convene the Land TAG to discuss and progress ideas on implementation and develop research priorities (Strategy).
- Advocate for effective community engagement on the lake water quality issue.
- Develop principles for the application of BMPs to land uses.
- Provide requirements brief to RTALSG for the establishment of a Lakes Area Extension service.
- Advocate for public funds to support nutrient reductions from land use.
- Review nutrient allocation methods and provide recommendations.
- Discuss and determine options to incentivise suitable land use change.
- Engage in the development of any new regulatory framework and provide further recommendations on suitable interventions for nutrient reduction.

Appendix



Report from: Bill Cleghorn, Acting Chairman Land Use Futures Board

Date: 10 February 2010

To: Rotorua Te Arawa Lakes Strategy Group

Membership of the LAND USE FUTURES BOARD

The purpose of this paper is to request that the Rotorua Te Arawa Lakes Strategy Group creates a new position on the Land Use Futures Board and agrees to proposed changes in Board membership and structure.

Introduction

There have been a number of events and changes affecting Board members and/or representative organisations which leads the Board to recommend some changes to the Land Use Futures Board (LUFB) membership and structure.

Firstly, as the Strategy Group will be aware, the Board Chairman Rick Vallance is critically ill and has not attended LUFB meetings since October 2009. Given Rick's circumstances, the Board granted him leave of absence at its December 2009 meeting and elected Bill Cleghorn as Acting Chairman. Out of respect for Rick's situation, the Board does not intend to make any recommendation relating to his position on the LUFB at this stage.

LUFB requests that the Rotorua Te Arawa Lakes Strategy Group (RTALSG) consider three proposed changes to membership and structure to the Board. These are:

1. Mike Bramley to replace Penny Nelson as DairyNZ representative on the Board.
2. Reshape Meat and Wool New Zealand's position on the Board to a Dry Stock Advisor position.
3. Create an additional position on LUFB to represent large Māori Land holdings.

Discussion

DairyNZ Board representative

DairyNZ have requested that Mike Bramley formally replace Penny Nelson as their representative on the Board. Mike is based in Hamilton and has been attending LUFB meetings, as Penny's "stand-in" when she has not been available to attend. Mike has the confidence of the Board and they would be comfortable to see him formally appointed as DairyNZ's representative.

Meat and Wool New Zealand Board position

Following a restructure and down-sizing of Meat and Wool New Zealand last year, their position on LUFB is currently vacant. They have also indicated that they are not currently able to support a position on the Board. Given this, LUFB requests that the Meat and Wool position be reshaped to a Dry Stock Advisor position to be filled by a Rotorua based farm advisor who has expertise in dry stock farm management.

The Board considers that Lee Matheson of Perrin Ag Consultants Ltd would be a suitable candidate for such a position. Lee is a locally respected farm advisor who has an excellent understanding of the issues facing dry stock farmers in the Rotorua area and on-farm nutrient management.

New Board position representing large Maori Land Holdings

Māori own a significant proportion of the land affected by Rule 11 and it is essential that their views are adequately represented when considering land use change options and policy affecting land use. It is also important to note that much Māori owned land within the Lakes catchments is under-developed and therefore significantly impacted by Rule 11.

The Board feels that its current membership does not adequately represent owners of large blocks of Māori land and will therefore struggle to provide credible leadership to, what is a significant proportion of land owners within the Rotorua Lakes catchments.

Māori interests are currently represented by three of the 15 members on the LUFB, namely:

- R Mihinui, Te Arawa Lakes Trust
- T Ngatai, Māori Trust Office
- T Walters, Te Arawa Federation of Māori Authorities

LUFB believes that appointing an additional Board member, representing the owners of large blocks of Māori land, will bring better balance and insight to Board decisions. This will be of particular value when considering the impacts of Rule 11 and any future nutrient allocation system that maybe considered.

The Board has given some thought to a potential candidate for this position and recommends Barnett Vercoe. Barnett is a Trustee and owner of various blocks in the Rotoiti, Rotomahana and Rerewhakaaitu catchments and has a good understanding of issues around trying to balance environmental, economic, social and cultural outcomes from land for its owners.

Recommendations

That the Rotorua Te Arawa Lakes Strategy Group:

- 1. Receives this report.**
- 2. appoints Mike Bramley to the Board as DairyNZ's representative**
- 3. Amends the Meat and Wool New Zealand position on the Board to a Dry Stock Advisor position.**
- 4. Appoints Lee Matheson, Perrin Ag Consultants Ltd, to the Dry Stock Advisor position.**
- 5. Creates a new position on the Land Use Futures Board to cover the views of large blocks of Māori owned land.**
- 6. Appoints Barnett Vercoe to this new position on the Land Use Futures Board.**

File Reference: 7.00113
Significance of Decision: Receives Only - No Decisions



Report To: Rotorua Te Arawa Lakes Strategy Group

Meeting Date: 1 March 2010

Report From: David Phizacklea, Planning Frameworks Manager

Draft Bay of Plenty Regional Policy Statement

Executive Summary

The Draft Next Regional Policy Statement is open for comments until Thursday 1 April. The Regional Policy Statement provides strategic direction on the significant resource management issues for the Bay of Plenty region. The draft document provides an informal opportunity for Environment Bay of Plenty to receive feedback from territorial authorities, iwi, industry groups, stakeholders and interested members of the public.

The Draft RPS includes policies that seek to reduce the amount of nutrients entering the five priority lakes of Rotorua, Rotoiti, Okaro, Okareka, and Rotoehu and cap the controllable nutrient discharges into the remaining seven lakes within the Rotorua Te Arawa lakes area at their 2008 levels.

1 Recommendations

That the Rotorua Te Arawa Lakes Strategy Group under its delegated authority:

- 1 Receives the report, Draft Bay of Plenty Regional Policy Statement.**

1 Draft Next RPS Development

The Draft Next Regional Policy Statement (RPS) was released for public comment for a period of two months from Tuesday 2 February 2010 to Thursday 1 April 2010.

Comments received on the Draft RPS will assist with preparing the Proposed RPS. It is anticipated the Proposed RPS will be notified for formal submissions under the Resource Management Act 1991 in late 2010.

Declining water quality in the Rotorua Lakes is identified as a significant resource management issue in the Draft RPS. This is one key difference with the Operative RPS which does not identify declining water quality in the Rotorua Te Arawa lakes as a significant resource management issue for the region.

A presentation on the contents of the Draft RPS, as they relate to the Rotorua Te Arawa lakes, will be made to the Committee. This follows the earlier presentation and discussion with the Rotorua Te Arawa Lakes Strategy Group at a workshop on 12 November 2009.

2 Structure and Content of the Next RPS

The general structure and content of the Draft Next RPS includes:

- Being more directive to regional plans, district plans and resource consents. This reflects the Resource Management Amendment Act 2005 which confirmed a top-down hierarchy with the RPS giving direction to district and regional plans.
- The RPS as a document of the region, not just a Regional Council document. The Resource Management Amendment Act 2005 strengthens this and anticipates a collaborative approach with territorial authorities in the RPS development process.
- Avoiding duplication of issues, objectives, policies and methods. The Greater Wellington region RPS structure and format was used as a template and adapted. As a result all policies are integrated within one section of the document.
- Keeping intact the issues, objectives, policies and methods from the recently made operative Change No. 1 (Criteria) and Change No. 2 (Growth Management). Considerable time and resources have been invested in these changes by Environment Bay of Plenty and key stakeholders. There is a genuine desire to uphold those commitments and retain the trust of the relevant affected parties.

3 Policy Direction

In general terms, the key policies in the Draft Next RPS for each chapter are:

Air Quality – improving air quality across the region with a focus on the Rotorua City airshed.

Coastal Environment – preserving the natural character of the coastal environment; managing coastal hazard risk and the allocation of coastal space; addressing sedimentation and providing for the active management of mangroves.

Geothermal Resources – balancing the sustainable use and protection of geothermal resources in the region; ensuring information is provided to monitor and sustainably manage all geothermal resources.

Infrastructure and Energy – identifying and protecting regionally significant infrastructure; promoting the development of renewable energy.

Iwi Resource Management – identifying issues specific to iwi authorities (as required by the Act), including the protection of mauri; providing for the development of multiple-owned Māori land; recognising iwi management plans.

Land Use and Water Quality – reducing and managing nutrients into the Rotorua Lakes; providing for integrated catchment management.

Matters of National Importance – recognising and providing for the region's indigenous biodiversity, natural character, outstanding natural features and landscapes, Maori culture and traditions, historic heritage and public access.

Natural Hazards – managing risk from natural hazard events; allocating responsibility for natural hazards.

Urban Form and Growth Management – providing for regional and sub-regional growth management, with a focus on the western Bay of Plenty using urban limits; integrating land use planning and transport; protecting versatile soils.

Water Quantity – strengthening policy for the sustainable, fair and efficient use of water.

Comments on the provisions contained in the Draft Next RPS will provide Council with feedback to confirm or amend the intended policy direction prior to the formal submissions process on the Proposed RPS document.

4 **Lakes Water Quality Provisions**

The Draft RPS directs regional plans, district plans and applications for resource consent on the management of land use change that threatens water quality, including the management of the discharge of nitrogen into Lake Rotorua in particular. It is considered necessary to direct regional and district plans to enable beneficial land use change, achieve reduced discharges of nutrients and improve the water quality of the lakes of the Rotorua district.

Environment Bay of Plenty and Rotorua District Council staff have been collaborating on the Draft RPS and second generation Rotorua District Plan to develop a regulatory framework focussed on maintaining and improving lake water quality.

The approach put forward in the Draft RPS for the Rotorua Te Arawa lakes is one of reducing nutrient discharges to the five 'Rule 11' lakes (Rotorua, Rotoiti, Okaro, Okareka, and Rotoehu), while maintaining nutrient discharge levels for the other seven lakes at the level that existed as at 30 June 2008. Coupled with this is providing for integrated catchment management and enabling land use change to occur.

Chapter 3.6 and policies 20, 22, 24, 25 and 26 of the Draft RPS address lakes water quality.

5 **Financial Implications**

Current Budget

There are no implications for the current budget from the report recommendations.

Future Implications

There are no future implications from the report recommendations. Comments received on the Draft RPS will assist with preparing a Proposed RPS for formal submissions. Implementing the directive policies in the Regional Policy Statement when they become operative may require additional regional plan changes to those currently scheduled in Environment Bay of Plenty's Ten Year Plan (2009-2019).

Ten Year / Annual Plan Implications

There are no Ten Year/Annual Plan implications from the report recommendations.

Nassah Steed
Senior Planner

for Planning Frameworks Manager

16 February 2010

File Reference: 2.00034
Significance of Decision: Receives Only - No Decisions



Report To: Rotorua Te Arawa Lakes Strategy Group
Meeting Date: 1 March 2010
Report From: Warwick Murray, Group Manager Land Management

Lake Structure Policy Development

Executive Summary

Attached is a paper from Te Arawa Lakes Trust for consideration.

1 Recommendations

That the Rotorua Te Arawa Lakes Strategy Group under its delegated authority:

- 1 Receives the report, Lake Structure Policy Development.
- 2 Agree that the partner's policy and planning teams meet to develop a work programme for lakes structure policy.

2 Financial Implications

Current Budget

No financial implications for the current budget.

Future Implications

No future implication for the budget.

Ten Year / Annual Plan Implications

No Ten Year Plan implications for implementing the decision.

Warwick Murray
Group Manager Land Management

19 February 2010

Appendix



TE ARAWA LAKES TRUST

Report To: Rotorua Te Arawa Lakes Strategy Group

Meeting Date: 1 March 2010

Report From: Hera Smith, Executive Officer, Te Arawa Lakes Trust

LAKES STRUCTURE POLICY DEVELOPMENT

Executive Summary

There is currently minimal or no lakes structures policy in local and regional planning and policy documents.

The Lakes Structures group consisting of Te Arawa Lakes Trust, Land Information New Zealand, Environment Bay of Plenty and Rotorua District Council agreed to a 10 year period by which resource consents would be issued for lakes structures on the proviso that this time period would be used for those parties to develop clear guidelines and policy for lakes structures. The group acknowledges that we are now 3-4 years within this period and no progress has been made on policy development.

Lakes Policy Development is a priority for Te Arawa Lakes Trust as landowner of the lakebeds but also as a partner in continuing to work collaboratively with the lakes structures group and their policy teams to better manage lakes structures.

This report seeks the support of the Rotorua Te Arawa Lakes Strategy Group in the development of Lakes Structure Policy.

1. Recommendations

That the Rotorua Te Arawa Lakes Strategy Group under its delegated authority:

- 1. Receives the report, Lakes Structure Policy Development**
- 2. Agree that the partner's policy and planning teams meet to develop a work programme for lakes structure policy.**

2. Purpose

To seek support from the strategy group partners that the respective policy and planning teams meet to develop a work programme for lakes structure policy, in light of the current District Plan Review and Draft Regional Policy Statement work.

3. Background

The Te Arawa Settlement Act 2006 covers a range of matters relating to the return of the lake beds and sets out provisions that impact on the management of the lakes and lakebeds. The Act defines existing structures and includes structures regardless of current legislative or regulatory compliance. New or modified structures have a different regime and require TALT and LINZ consent.

A programme of work has been conducted since 2005 (prior to the lakes settlement) to assess, record, report and manage existing lakes structures. The Lakes structure group was formulated as an advisory group to provide communication between the regulatory authorities and other representatives. Representatives included

- a) Crown Law;
- b) Department of Conservation;
- c) Environment Bay of Plenty;
- d) Rotorua District Council;
- e) Te Arawa Lakes Trust;
- f) Land Information New Zealand; and
- g) other legal advisors.

The group agreed that lakes structures in or on the lakebeds that require resource consent be given a 10 year period from the settlement date and that this be staged so that not all consents expire at once. The aim of the 10 years is to provide the respective parties time to work together to develop lakes structure policy. It is now 3 – 4 years within this timeframe and little progress has been made on lakes structure policy. Lakes Structure Policy development is a priority for Te Arawa Lakes Trust and all parties have indicated that they require policy and planning support to progress this further.

4. Policy Development

With the review of the District Plan and Regional Policy Statement currently in progress, it is a timely that policy be developed, albeit at this late stage to provide some guidance and clear criteria around how best to manage structures and to clearly communicate to the community the processes of applying for a consent for a lake structure.

Nga mihi

Hera Smith
Executive Officer
19 February 2010

File Reference: 2009 0208
Significance of Decision: Receives Only - No Decisions



Report To: Rotorua Te Arawa Lakes Strategy Group
Meeting Date: 1 March 2010
Report From: Ken Tarboton, Group Manager Rivers and Drainage

Okere Gates and Ohau Weir Control Structures Consent Renewal Update

Executive Summary

This report provides an update on the status of the consent application by the Rivers and Drainage Group for placement and operation of the Rotorua and Rotoiti Lake level control structures, namely the Ohau Weir and the Okere Radial Gates.

Consents for both structures expire in June 2010. An RMA requirement is that an application to replace the existing consents is received six months before they expire. This allows continued operation according to the current consents while the replacement consent is reviewed. An application to replace the consents for the Ohau Weir and Okere Radial Gates was filed with Environment Bay of Plenty Consents Section on 21 December 2009.

The initial application requested maintaining the status quo operational strategy for Lake Rotorua and requested a wide range for Lake Rotoiti as a placeholder (referred to as the starting point range in the AEE) until an operational strategy could be determined for the final application to be notified.

The Rivers and Drainage Group together with Te Arawa Lakes Trust (who own the Lake beds) have undertaken a process of developing a robust and transparent programme and strategy for these consents. This programme and strategy has been based on ensuring that the process of consents renewal meets statutory requirements of both the Settlement Act and the Resource Management Act.

This report describes the process to develop a proposed operational regime, details of the initial holding pattern or starting point operational strategy filed in the initial consent application, and next steps to refine the operational strategy and incorporate it into the final consent application.

1 Recommendations

That the Rotorua Te Arawa Lakes Strategy Group under its delegated authority:

- 1 Receives the report, Okere Gates and Ohau Weir Control Structures Consent Renewal Update.**
- 2 Recognises that Te Arawa Lakes Trust officers have been fully involved through their participation on the team working to determine the proposed operational strategy for Lakes Rotorua and Lakes Rotoiti.**

- 3 Recognises that through further modelling and consultation both the proposed performance measures and the operational strategy will be modified in the final consent application.**

2 Background

Rotorua Lake levels are controlled by outflow through the Ohau Weir, down the Ōhau Channel and into Lake Rotoiti. Levels in Lake Rotoiti are controlled by the operation of the Okere radial gates. Environment Bay of Plenty owns both the Ohau Weir and Okere Gates structures which are currently part of the Kaituna Catchment Control Scheme. The structures are operated by the Rivers and Drainage Group who hold the consents for their operation. The Consents for both structures expire in June 2010. In order to keep operating the structures, an application to renew the consents needed to be filed before the end of 2009.

The purpose of the Okere Gates under the original water right was to increase outflows from Lake Rotoiti to permit flood waters to be discharged when required and to reduce outflows to prevent undesirable low lake levels. A condition of the water right was that natural outflows were not increased until such time as compensating works had been constructed in the Lower Kaituna River area (vicinity of Te Puke) to provide flood protection.

Since the works in the Lower Kaituna River Scheme have been completed they now offset any detrimental effects of increased discharges from the Okere Gates. This means the gates may be operated at their full capacity without any detriment to the land adjacent the Kaituna River.

Since issue of the current consents in 1996, Te Arawa Lakes Trust (TALT) has become the owner of the beds of 13 lakes in the Rotorua area under the Deed of Settlement of the Te Arawa Lakes Historical Claims and Remaining Annuity Claims 2004 and Te Arawa Lakes Settlement Act 2006. This ownership includes the beds of Lake Rotorua and Lake Rotoiti but not specifically the land under the Okere Gates or Ohau Weir structures. The Act requires Environment Bay of Plenty to engage with and involve Te Arawa through the TALT on Rotorua Lakes issues.

3 Objectives in reviewing consents

The main objectives in the renewal of the resource consent were to:

- Review the operating regime of the Ōhau Channel weir and Okere Gates to define operational strategies that maximise benefits to the wider community, balancing the benefits to the Cultural, Environmental, Social and Economic Well Beings.
- Actively engage the community, particularly the new lake bed owner, Te Arawa Lakes Trust, to assist in identifying the preferred operational regimes for the weir and gates.
- To ensure that the existing activities can be continued under the existing consents in accordance with section 124 of the RMA.

4 Team to renew structure consents

The Rivers and Drainage Group of Environment Bay of Plenty, as consent holder, has involved TALT representatives by including them on the team to develop a robust and transparent programme and strategy for the consents renewal. The same parties are working towards determining a proposed operational strategy for Lakes Rotorua and Rotoiti controlled by these structures. Input to the team has also been provided by

consultants for specific services including Opus International Consultants, retained to file the consent renewal, modelling of various options by Aurecon and optimisation of operational alternatives by Hydrologics Inc. At the request of Ngāti Pikiao and TALT, independent consultant Dr Kepa Morgan was retained to undertake technical evaluation to ensure that a Māori (not necessarily Ngāti Pikiao, Te Arawa or a particular iwi) perspective was included. His role was also to ensure consideration of the cultural well being alongside the other well beings in the development of proposed operational strategy. The team was guided by Dr Morgan's Māuri model that weights equally each of the well beings (social, cultural, economic, environmental) in the evaluation of operational options. Dr Morgan has also been able to provide anecdotal recollection of historical lake conditions from his discussion with local iwi and kaumatua.

5 **Process to develop proposed operations**

The process has been divided into three stages.

Stage 1

In stage 1 Te Arawa were involved to develop a process for the consent renewal and assist in determining an initial consent application to be filed by the end of December 2009. Some consultation with other stakeholders and interested parties occurred during this stage. Stage 1 ended with filing the consent application at the end of December 2009.

Stage 2

Stage 2 involves further consultation and water quality modelling to refine the initial placeholder operational range for Lake Rotoiti to determine a proposed operational strategy. The AEE will be revised once the operational strategy is determined. It is expected that Stage 2 will be completed by April 2010.

Stage 3

Stage 3 commences with notification of the consent and will include receiving submissions, a commissioner or Environment Court hearing and deliberations ending with a consent decision. Based on submissions the applicant may request direct referral of the final consent application to the Environment Court. It is anticipated that Stage 3 will be completed before the end of 2010.

Details of the process followed during Stage 1 follow.

5.1 **Modelling**

Experience in operating the Okere Gates has shown that while this structure mitigates to a small degree flood peaks in the Lower Kaituna, uncontrolled Mangorewa River flows dominate downstream flood peaks. Given that the Okere Gates provide minimal downstream flood control and that there have been calls by some local iwi for the removal of that structure, modelling was initiated to determine the positive and negative impacts of the current structures and how they are operated. The modelling also looked at what impacts there would be if the Okere Gates were removed and replaced with alternative control structures. This modelling information was used to define an initial operational range with TALT.

As part of the process, the consent holder invited Aurecon consultants to gather background information on the current Okere Gate operations and investigate and model alternative Okere Gate control structures. This work included inviting feedback

from a number of stakeholders, identifying the benefits and disadvantages of the current and alternative structures and simulating operations with different structural alternatives (Aurecon, 2009)¹. The modelling has since been peer reviewed by Opus and as a result of the peer review some modelling refinements have been completed.

Modelling of different options indicated that Rotorua levels changed very little for a wide range of changes to operations in Rotoiti.

5.2 Te Arawa involvement

Preliminary discussion with Te Arawa Lakes Trust officers were held in March 2009, informing them of the consent renewal requirement and inviting their involvement on the consent renewal team described above. Since then Hera Smith has been involved in the process, only limited occasionally by time and other work commitments. Roku Mihinui has been involved as needed and as time has permitted.

Information on the consent renewal process has been presented first and foremost to Te Arawa Lakes Trust officers and to Te Arawa representatives in various forums.

5.3 Consultation

In addition to involving Te Arawa Lakes Trust officers, some preliminary consultation has been by way of presentations and discussion with various parties as follows:

- Environment Bay of Plenty Māori Committee on 28 April 2009
- Environment Bay of Plenty Regulation Monitoring and Operations Committee on 11 June 2009
- Te Arawa Lakes Trust at their 7 July 2009 hui at Nukuteapiapi Whare Tuupuna
- Ngāti Pūkiao hui on 14 July 2009 at Tapuaeharuru Marae
- Rotorua Lakes Strategy Group on 24 July 2009
- Ngāti Pūkiao hui at Taheke Marae on 2 October 2009
- Briefing of Rotorua District Council Executives on 7 October 2009
- Te Arawa hui at Te Runanga Tea House on 9 October 2009
- Rotorua District Council Te Arawa Standing Committee on 19 October 2009
- Public Open Day in Rotorua on 28 October 2009

5.4 Performance indicators and measures

At the request of Te Arawa attendees at the Ngāti Pūkiao hui at Tapuaeharuru Marae on 14 July 2009 the Mauri model developed by Dr Kepa Morgan has been used to establish performance indicators and draft performance measures for use in evaluating different operational options. The working team went through a workshop process lead by Dr Kepa Morgan on 7 September 2009 to come up with an initial set of performance indicators to represent the benefit of different operational strategies to each of the four well beings. Draft measures were defined and quantified for these indicators where possible.

Although not final, these measures were used to guide optimisation modelling described later. At the Public Open Day on 28 October 2009, the community requested

¹ Aurecon (2009), Review of the Benefits of the Okere Gates Control Structure for Environment Bay of Plenty, 13 March 2009.

their involvement in the refinement of the measures to be used in guiding the technical evaluation of the final proposed operational strategy.

5.5 Historical and anecdotal data

Historical water level data has been obtained from measuring gauges for Lake Rotoiti from 1906 and for Lake Rotorua from 1934. Data for Lake Rotoiti are shown in Figure 1 below. The measured historical data show a fluctuation of 500 - 600 mm in lake levels seasonally and annually. The trend of increasing lake levels from the 1940's to the 1970's is attributable to increased runoff into the lakes with catchment development and land use change. Changes in lake levels are evident with the increase in capacity of the Ōhau Channel (1972), installation of the Okere Gates (1982), Ohau stoplog weir installation (1989) and adoption of the current consents narrow operational target of 150 mm in 1996.

Anecdotal recollection suggests that Lake Rotoiti levels were lower than they are now and that beaches were historically considerably wider than they are now. Recollections from Hinehopu residents indicate that lake levels are higher there by about half a meter than they used to be. Mr Fred Whata has indicated that levels in the Ōhau Channel in the vicinity of Mourea are about half a meter higher than his recollection of them before the structures were put in place.

Investigations are currently underway to locate and use old photographs to validate anecdotal recollection. Initial analysis of some photos indicates that beaches may have been wider due more to a greater range of water level fluctuation than necessarily lower lake levels.

Opus consultants have peer reviewed the observed data for Rotoiti and indicated that it is of good quality with care having been taken to track and address datum and instrument changes over time.

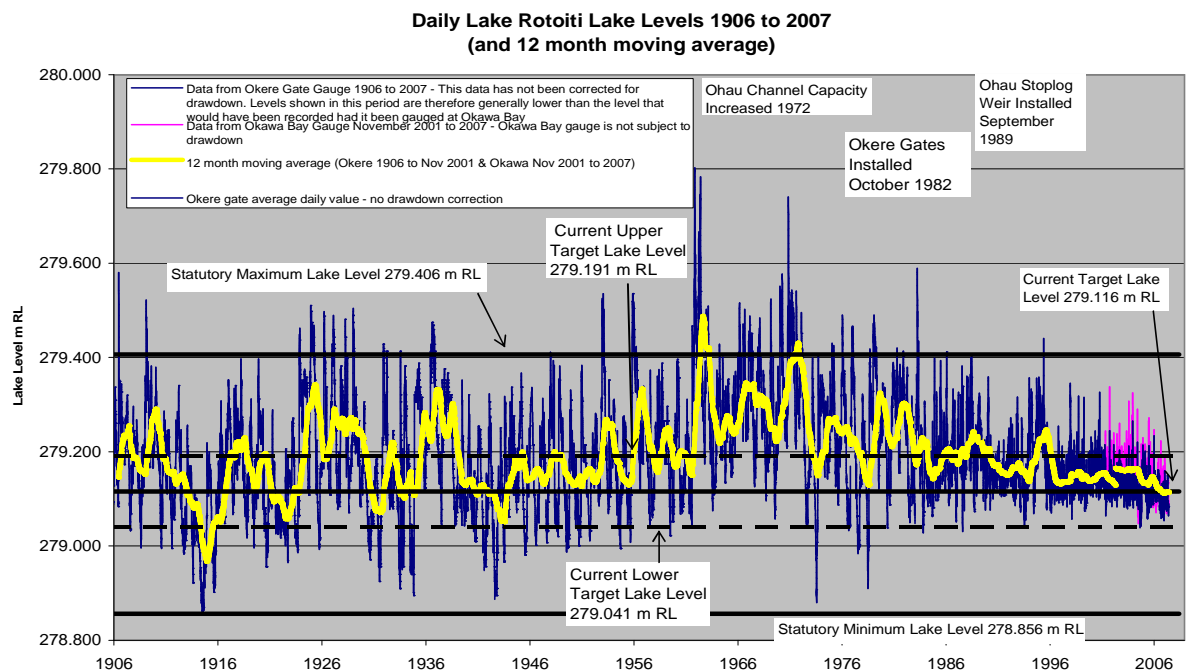


Figure 1 Lake Rotoiti historical measured data at Okere gauge.

5.6 Optimisation modelling

Initial modelling has indicated that a range of operational options can be achieved through operation of the Okere structures. Hydrologics Inc. have undertaken optimisation modelling using the draft performance measures and came up with draft proposed operational strategy for the Okere gate structure and Rotoiti Lake levels. Due to the fact that the performance measures were still draft and undergoing revision, (there were delays) and at the request of Kapa Morgan, it was decided to use a wide band as the starting point for Rotoiti operations with the understanding that this would be refined as performance measures were finalised with further public input. The draft optimised operations were included as an option within the wide, initial holding pattern (starting point band) in the consent application.

6 Initial operational range

6.1 Lake Rotorua

Modelling has considered a range of possible structural configurations and operations for the Okere Gates. All of these options have indicated very little effect on Lake Rotorua. As a result, in the application to replace the existing consents, it is proposed to keep the same operational strategy for Lake Rotorua as in its current consent thus keeping levels at their current levels. Figure 2 shows ten years of Rotorua Lake levels since 1998 operated according to the 1996 consent. Various proposed operations included in the figure (the no structure option and the Hydrologics V6 option) essentially match the current operations. This also recognises the considerable infrastructural investment on and around the Lake Rotorua foreshore.

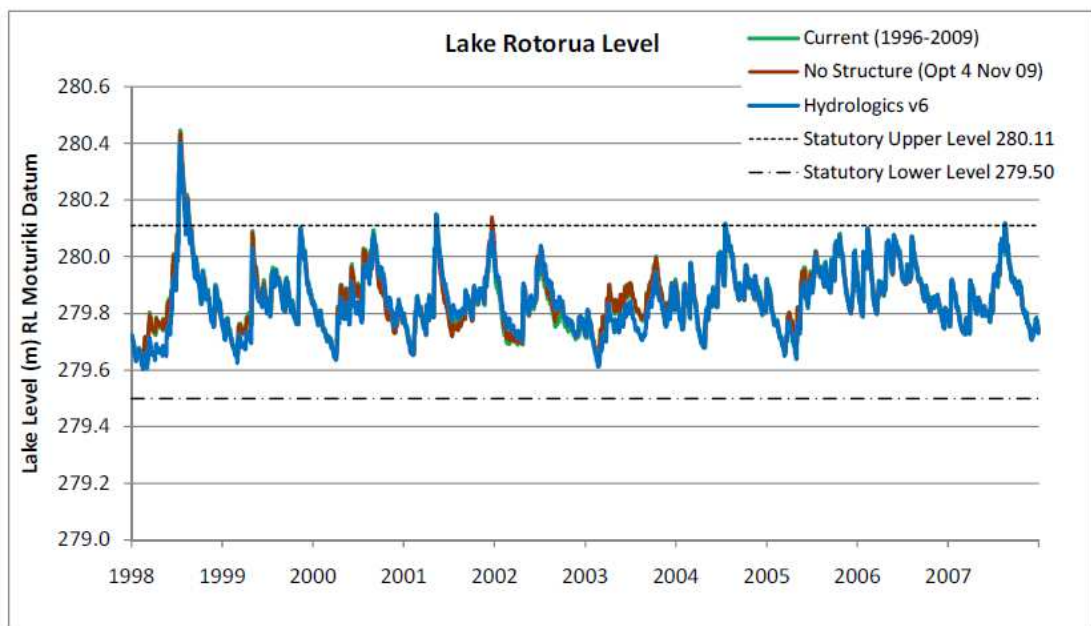


Figure 2 Lake Rotorua current and proposed operations.

6.2 Lake Rotoiti

Investigations of alternate operational strategies for Lake Rotoiti have been extensive. Hydrologic modelling has included simulation from current operations to removal of the gates with various weir structures. Modelling has also shown that the gates can be maintained and the effect of any of these options achieved through gate operations. In

fact the gates do not compromise options – rather they provide more flexibility of operation.

Optimisation modelling determined that a wider operating range than the current target range could maximise wider benefits according to the draft performance measures developed through the Mauri model process. Anecdotal recollection however indicated that historical lake levels may have been lower than those indicated by historical data.

Recognising the different opinions held within the team and because of the involvement with Te Arawa a wide initial lake level range (indicated by the blue band in Figure 3) was selected to ensure that iwi and cultural concerns were recognised. The initial range applied for, for Lake Rotoiti is defined below.

- Initial maximum lake level limit for Lake Rotoiti of 279.4 m RL
- Initial minimum lake level limit of 278.6 m RL
- Maximum initial operating range of 800 mm

The blue band in Figure 3 shows the initial (holding pattern) range, the green line shows lake level readings recorded by Environment Bay of Plenty since 1997 i.e. the range per the existing consent, and the brown line shows the modelled results of a proposed “Option 4” scenario, which approximates what would happen if the Okere gates were removed, and replaced with a shallow weir (as suggested by Dr Kepa Morgan that best mimicked the original natural rock ledge weir that existed pre-gates). The blue line shows the results of the Hydrologics Version 6 option, that optimised gate operations using the preliminary performance measures.

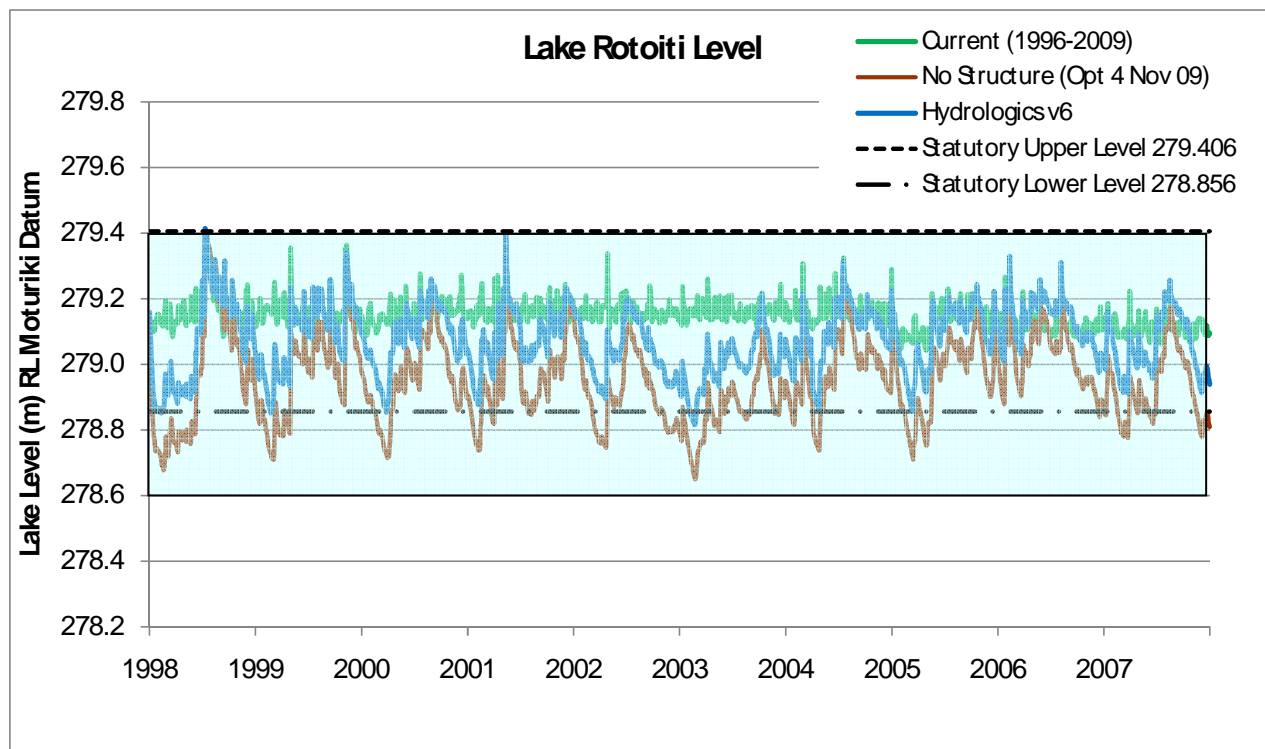


Figure 3 Comparison of Lake Rotoiti levels - current situation, ‘no structure’ Option 4 and Hydrologics Version 6 (optimised operation) options

Having this wide range in the initial lodged consent application provides the applicant (the Rivers and Drainage Group) the flexibility to investigate and refine the operating range within this band between lodgement and notification.

Changes to the initial operating range are likely to result from:

- Further investigations – particularly Water Quality modelling by Professor David Hamilton of Waikato University to ensure that the proposed operational strategy does not degrade Rotoiti water quality through possible nutrient leakage around the end of the Ohau Diversion Wall; and
- Finalising performance criteria with further input from stakeholders;

6.3 Assessment of environmental effects

The assessment of environmental effects (AEE) submitted with the consent application lodged in December 2009 focuses principally on Lake Rotoiti, and has been based upon the wide initial range and performance criteria discussed to date with key stakeholders.

Based on the initial starting point range for Lake Rotoiti:

- Effects on cultural values are generally positive, particularly for effects related to beach formation and access to and sustainability of lake food sources.
- Environmental effects are generally positive for sedimentation/erosion, macrophyte weed issues, native aquatic fauna, and some wetlands, and potentially negative for birds, and other wetlands. Effects on water quality are potentially negative (possible Ohau Nutrient Diversion Wall leakage impacts) but have yet to be fully modelled. There are potentially some positive effects on stormwater and drainage matters.
- Effects on social and amenity values are generally negative, i.e. lakes navigation, recreational boating, use of lake margin structures such as jetties, ramps and boatsheds, odour, visual/aesthetics of exposed lake bed.
- Economic effects are generally negative i.e. lake based tourism (boat access, structures, visual), lake edge property values and lakes structure values. There are potentially positive effects for rafting and kayaking in the upper Kaituna River.

7 Next steps: Stage 2 of process

Following filing of the initial consent application at the end of December 2009, stage 2 is currently being progressed. This includes further consultation, stakeholder input, refinement of the operational range using stakeholder input and water quality modelling. A revised AEE using the refined operational strategy will be completed for the final consent application to be notified by April 2010.

7.1 Consultation

Ongoing consultation during this stage has focussed on getting input to refine the Mauri model performance measures to be used in guiding the optimisation of the Lake Rotoiti operational strategy.

The applicant has continued to fully involve Te Arawa during Stage 2 of the process. Consultation has included technical input from RDC and their roading representatives, Ngāti Pikiao and a list of interested stakeholders. Selected specific consultation during this stage is listed below.

- Performance Measure Workshop in Rotorua on 9 November 2009
- Rotorua Lakes Technical Advisory Group on Water Quality on 3 December 2009
- Application filed and posted on website 21 December 2009
- December newsletter posted on web and emailed to stakeholder list

- January newsletter posted on web and emailed to stakeholder list
- Performance measure survey to be posted to web in February and stakeholders notified
- Public meeting (date to be determined possibly March) to present water quality modelling and refined operational strategy.

7.2 Performance indicators and measures

Following presentation of the draft indicators and measures at various meetings, a workshop was held on 9 November 2009 to further refine those measures. Further input is still being received from interested stakeholders by way of a web survey developed to gather this input and will be used to finalise the operational strategy.

Input will be collated and used to guide optimisation to finalise the operational strategy.

7.3 Modelling

Optimisation modelling to refine the operational strategy for Lake Rotoiti will be undertaken using the above performance measures. Once optimised, the refined operating strategy will be used in the water quality modelling requested by the community. This modelling will be undertaken by Professor David Hamilton of Waikato University. If the refined operating strategy has negative water quality effects it will be further refined to mitigate the adverse effects identified.

The final refined operational strategy in addition to considering water quality effects will also look to mitigate, through lake level management, most of the negative effects identified in the initial AEE.

7.4 Revised AEE and consent notification

The AEE will be revised using the refined operational strategy. This operational strategy and its effects including water quality analysis will be communicated to the community and the consent notified by April 2010.

The application, once refined, will reflect the best technical solution determined by the applicant, Environment Bay of Plenty Rivers and Drainage Group. The applicant will continue to fully involve Te Arawa in all aspects of this consent application, ensuring the requirements of the Settlement Act 2006 are met. While they have been fully involved to date, Te Arawa may choose to support or disagree with the final proposed operational strategy lodged and submit to the consent process accordingly.

8 Financial Implications

Current Budget

Our approach has been to involve Te Arawa fully as partner under the Deed of Settlement and owner of the lake beds to ensure the process of renewal is in accordance with the settlement legislation. This has resulted in considerably more expenditure on consultants to look at various operational options particularly expenses for the independent iwi consultant engaged at the request of Te Arawa. Our consultancy budget of \$80,000 for this project has been significantly exceeded with an expenditure of \$262,000 to date. An indication has already been provided to the Regional Council that this project will be significantly over budget. The applicants (Rivers & Drainage) time has been covered by Council's Engineering and Non-Scheme

advice budget. Te Arawa Lakes Trust contribution to this process has been significant in terms of utilising their own resources, time and expertise in the generation, compilation and dissemination of information to Te Arawa and for the team.

Future Implications

Significant depending on the outcome of the consent process.

Ten Year / Annual Plan Implications

Significant depending on the outcome of the consent process.

Ken Tarboton
Group Manager Rivers and Drainage

5 February 2010

File Reference: 2.00034
Significance of Decision: Receives Only - No Decisions



Report To: Rotorua Te Arawa Lakes Strategy Group
Meeting Date: 1 March 2010
Report From: Warwick Murray, Group Manager Land Management

Group Manager's Report

Executive Summary

The purpose of this report is to provide the Rotorua Te Arawa Lakes Strategy Group with a briefing on key issues and actions associated with the implementation of the Strategy for the Lakes of Rotorua District, not otherwise covered in the agenda.

1 Recommendations

That the Rotorua Te Arawa Lakes Strategy Group under its delegated authority:
Receives the report, Group Manager's Report.

1 Deed of Funding 6 Month Report

The Funding Deed requires Environment Bay of Plenty to submit a six-monthly report on progress of the annual work plan for both Environment Bay of Plenty and RDC by 15 February 2010, describing details of the interventions and expenditure to 31 December 2009.

The report has been prepared and all projects are on track except land use change in Rotorua and Okareka, and Awahou P-Locking.

The 6 month report has been approved by representatives of Environment Bay of Plenty, RDC and TALT. The report has been submitted to MfE and staff are awaiting feed back. The next reporting back will be annual reporting in July 2010.

2 Regional Special Projects Committee - Position Paper

The Regional Council has a Regional Special Projects Committee with delegated authority to develop a position paper on land use change for Lake Rotorua. The position paper will where relevant, identify policy frameworks, options and interventions/actions to further Councils position.

The Committee has met three times to consider its position on Lake Rotorua. Its focus has been on considering scientific data for the Rotorua Lakes, the costs and benefits of different options that can contribute towards reducing nutrient discharges and finalising its position paper.

A position paper was approved by the Regional Special Project Committee at its meeting on 16 February 2010. It will be considered by the Regional Council at its March meeting. The Regional Special Projects Committee aims to present its position paper to the Te Arawa Lakes Strategy Group at its 16 April meeting.

3 **New Harbourmaster for Rotorua Lakes**

Pererika Makiha has recently joined Environment Bay of Plenty as Rotorua lakes' new Harbourmaster working from the Rotorua office. The reactivation of the Harbourmaster role is part of the increased commitment of Environment Bay of Plenty into the Lakes which has seen a greater presence on the lakes over summer and a revitalised water safety campaign via the expansion of our volunteer Lake Warden network.

A New Zealand waka ama representative and a traditional voyager, Pererika has a spiritual bond to the water.

Born in Rotorua, Pererika's hapu affiliations are Tuhourangi, Ngati Wahiao and Ngaranui; iwi affiliations are Te Arawa and Ngapuhi.

Prior to joining Environment Bay of Plenty, Pererika worked for the Ministry of Fisheries, Coastguard and Maritime New Zealand. A qualified secondary school teacher, he has taught boat safety and traditional voyaging courses throughout New Zealand for Te Wananga o Aotearoa. Pererika is also a former member of the NZ Army as a reservist and he has spent time East Timor on peace keeping duties.

We are confident that Pererika's combination of skills and experience will enable him to work very effectively across all of the lakes issues we face.

4 **Rotorua Lake Structures - Unconsented Lake Structures Project Update**

Environment Bay of Plenty are currently undertaking a project to grant resource consent for all previously unlicensed lake structures that have existed prior to the enactment of the Resource Management Act 1991. Resource Consent for all structures on lakebed is a requirement under section 13 of the Resource Management Act. There are approximately 200 structures on the Rotorua Lakes that do not currently have resource consent, the majority of which have been in existence for at around 40 years. There will be a handful that will not get the opportunity to apply for consent and will be removed.

As part of the project we employed Stephanie Wheeler to identify all the persons who have an interest in any of these structures and to have them become part of the process. Before doing so she undertook field work photographing, recording GPS coordinates, measuring the structures where appropriate and observing structural integrity.

To date Stephanie has sent initial letters to all persons identified as having an interest in these structures and has made contact with 85% of those persons. She has sent out 54 applications.

Stephanie has completed a draft officer's report and consent document, which is being peer reviewed by the Consents Team. Once the applications are received she will process the consents, which will be forwarded to the Consents Team for approval. To date 5 consents have been granted.

There are some situations where a lake structure that does not have current resource consent is associated with another lake structure that is previously consented. In this

situation, the existing consent will be amended to incorporate the unconsented structure.

5 Health Check Report

The Rotorua Te Arawa Lakes Strategy Group began a project to check how well the terms of reference for the Group were being met and what improvements might be made. The review started with a workshop on 26 August 2009. The outcomes from this workshop were reported to the Group on 18 September 2009. It was agreed that an additional report back would be provided on the following matters:

The Group's constitutional decision-making process

Improving how the Group operates.

A report back on these two items was provided on 12 November 2009. The Group explored ideas and made specific decisions about practical ways to improve how the Group operates (refer 12 November meeting minutes). The Group was also advised that Environment Bay of Plenty had contracted Dr Royden Somerville QC and Katia Fraser (NorthSouth EnvironmentalLaw) to undertake an independent review the group's constitutional decision making. The independent review will provide an analysis of the term of reference and the ideas from partner organisations about the functions of the Group and their perceptions about how well the terms of reference are being delivered.

The independent review is nearly finalised. Once the report is final it will be sent to partner organisations for discussion about any next steps. Staff are aiming to report back to the Group at its 16 April 2009 meeting.

6 Draft Plan Change to On-site Effluent Treatment Regional Plan to Defer dates for Small Communities

Environment Bay of Plenty staff have undertaken community consultation meetings on a draft plan change to the On-site Effluent Treatment Regional Plan 2006 (OSET) during January and February. The plan change seeks to defer the dates at which resource consent approval is required for existing conventional septic tank systems in both the western Bay of Plenty and Rotorua lakes communities.

The proposed date changes that affect the Rotorua lakes communities include amending the current date of 1 December 2010 as follows:

- (a) Maintenance zones of Okawa Bay, Mourea, Brunswick and Rotokawa, by 1 December 2010 (no change).
- (b) Maintenance zone of Ōkāreka, by 1 December 2011.
- (c) Maintenance zones of Ōkere Falls, Otaramarae, Hinehopu and Gisborne Point by 1 December 2012.
- (d) Maintenance zones of Rotomā and Hamurana by 1 December 2013 (currently 1 December 2014).
- (e) Maintenance zone of Tarawera, by 1 December 2015 (currently 1 December 2014).
- (f) Lake Rotoehu catchment, by 1 December 2017.
- (g) Existing conventional on-site effluent treatment systems that are located within the catchments of Lakes Rotoiti, Rotoehu, Ōkaro, Rotorua and Ōkāreka and have

a land area of 2 hectares or less must, by the following dates, meet a particular nitrogen standard:

- Lakes Rotoiti, Ōkaro, Rotorua and Ōkāreka, by 1 December 2013 and
- Lake Rotoehu, by 1 December 2017.

- (h) Existing conventional on-site effluent treatment systems located within 200 metres from a lake edge must meet a particular nitrogen standard by 1 December 2013.

Feedback from the four community meetings in Rotomā/Rotoehu, Ōkāreka/Tarawera, Rotorua/Rotoiti and Mamaku has generally shown support for the dates being deferred. Comments have been made around whether the proposed dates for each community are realistic, the various costs incurred by the community should they have to connect to reticulated sewerage systems or upgrade their system, and enforcement of the existing rules in the OSET plan.

Comments on the plan change close on 26 February 2010. Environment Bay of Plenty's Policy and Planning Committee will then decide whether to notify the plan change for formal submissions. It is likely that some proposed dates will need to be further amended to bring them into line with planned sewerage reticulation. Further consideration is also being given by Environment Bay of Plenty to managing on-site effluent systems within each community, which may lead to further changes to the OSET plan.

7 Pressure on Rotorua Lakes

As requested at the previous meeting some research and surveys have been commissioned by Rotorua District Council to assess the impacts on the lake environments from the various activities that take place on the lakes over the summer season. This work is being undertaken by APR Consultants of Rotorua. The work is programmed to be completed in early March and it will be reported to the Strategy Group at its next meeting on 16 April.

8 Operational Update

8.1 Lake Rotorua

The P locking plant for the Puarenga Stream has now been completed. It has operated briefly during January, but one minor adjustment is required before full commissioning. This will happen this week. It is expected that it will remove about 2 tonnes of phosphorus from the Puarenga Stream annually, at a cost of about \$450K/annum. This is the second of 3 plants programmed for Lake Rotorua. Ngati Hinemihi performed a blessing ceremony for the plant at the stream on the 12th February.

The P locking plant for the Awahou Stream continues to be delayed. This is due to lack of engagement with Ngati Rangiwewehi. Staff have made a number of approaches to Rangiwewehi, and have recently met with the Chair. It is envisaged that this is the first of ongoing meetings aimed at forming a relationship to engage in the Lake Restoration Programme.

Staff have successfully negotiated access to land for the Tikitere De-nitrification Plant (opposite Hell's Gate). Tenders for the construction of the pilot plant have been called for and close off on the 4th March. It is expected that construction will start in March or April 2010. The plant will run for 18 months providing design and control info before work commences for the full scale plant.

We have the support of the owners of the Hell's Gate complex, but they are requesting that as part of the support they expect that their sewage will be reticulated to the Rotorua treatment facility. This is an issue that needs consideration over the next 6 to 12 months as the capital cost of reticulation is high and a solution is necessary before we can progress the construction of the full scale plant.

Staff have been working with NZ Trade and Enterprise on a trial algae harvest project for Ohau Channel. This is a short term project undertaking a "proof of concept" trial to investigate the feasibility of recovering/harvesting algae from lake water. This is a matter that came up as an issue during the working party meetings for the Rotorua/Rotoiti Action Plan. It resulted in a recommendation for more work to be undertaken looking into biomass harvesting as a lake restoration technique. This work is in parallel with our weed harvesting work in Rotoiti. A resource consent application has been made to take and discharge water for the trial. It is expected that a 6 month trial will commence in March 2010.

8.2 Lake Rotoehu

The weed harvesting work will commence again in March 2010. The hornwort weed is building up presently and a good harvest is expected.

The floating wetland trials for Rotoehu are continuing. Results will be available in August 2010. It is expected that once these results are available we will then be able to claim the development money from the Crown Funding Deed to undertake the development of floating wetlands on Lake Rotoehu.

Staff are making application for dosing of a biological treatment of Otautu Bay. This is aimed at reducing nutrients in the area of the bay and monitoring will be implemented to investigate the effect on sludge levels in the bay.

8.3 Lake Okaro

As already mentioned we have not yet experienced any algae bloom on Okaro this season. This is unusual for Okaro where the algae typically bloom early in the summer season.

A small project using allophane has commenced in December 2009. This project is placing 8 Tonnes of allophane in the small stream flowing into Lake Okaro. The objective is to mop up any phosphorus flowing into the lake from the main catchment. Monitoring has been designed to assess the effectiveness of this work. It is expected that this project will be extended onto critical source areas on farmland upstream, working with the local land owners group.

8.4 Sediment Treatment Work

The main focus of the council sediment treatment work has been testing performance of the sediment capping agents in the lab as well as in lake. So far these agents have been used in 2 lakes, Okareka and Okaro. Okaro received its second dose of the Scion developed product Z2 in August 2009. So far no algae bloom has occurred in Okaro and we are hopeful that we are now going to see some significant improvement in its TLI. Monitoring undertaken by NIWA indicates that the use of a finer product has flocculated phosphorus in the water column and may well have contributed to the absence of and algae bloom this season.

The Lake Rotorua sediment capping trials programmed for 2009 have been delayed until late 2010. However, further research is being done into sourcing a further possible capping agent, allophane. This is a naturally occurring clay mineral with an ability to

absorb phosphorus within the environment. Also further refinement work is being undertaken to assess the potential cost of capping Lake Rotorua and possibly Lake Rotoehu (further explanation later). The total area of Lake Rotorua is 80 km² or 8000 Ha. The area which requires treatment to prevent nutrient release is about 25 to 30 km². Costings so far indicate that it will require 20 to \$25M. We are now in a better position to reassess that cost.

Staff are advised by our Water Quality TAG on lake science including sediment treatment. The TAG is overseeing the work on Lake Okaro and considering how it ultimately could be scaled up to Lake Rotorua. Considering that Lake Rotorua is 270 times larger than Okaro they are advising that we should be testing the treatment techniques on an intermediate sized lake. They suggest Rotoehu at about 800Ha. Staff are now considering the financial implications of undertaking that work and will need to report to council advice on any changes to the programme.

An alternative method of treating sediment nutrient releases is the use of aeration. Initial investigations by Environment Bay of Plenty showed the capital and running costs were too high. However, more recently staff have been made aware of some information which could significantly reduce the cost of aeration as a sediment treatment technique. Further investigation work is currently being undertaken and this will be reported to council in due course.

A small project has been initiated to look into aeration/mixing of lake water to reduce nutrient releases from bottom sediments powered by natural lake wave action. At this stage staff are unable to report on the scale of application but believe this small cost project is worthwhile initiating with a view to considering how it may in time link with the aeration project reported above.

9 **Bench Marking Progress**

Benchmarking under rule 11 has been completed for the catchments of Lakes Okaro and Okareka. Benchmarking for Lake Rotoehu is close to complete with only a few small blocks remaining.

The major project of bench marking for Lake Rotorua has commenced. Staff have developed appropriate processes for the project and have programmed meetings with the initial catchment land owners and with local Federated Farmers Reps. The project is aimed at bench marking the main properties (>70 Ha), and will be managed on a catchment by catchment basis. The first catchments to be approached have been Utuhina and Waiowhiro.

10 **Algae Monitoring**

The algae monitoring for 2009/10 summer has indicated reasonable water quality of most of our Rotorua lakes. Only one lake (Rotoehu) has recorded exceedance of the health standard as at mid-January 2010. However, 2 exceedances in Lake Rotorua have been recorded by mid-February.

11 **Science Update**

11.1 **Nutrient Leaching Modelling**

The ROTAN model developed by NIWA is now being run. This is a catchment based land use nutrient leaching model which can be used to predict nitrogen leaching from the catchment of Lake Rotorua. It will provide estimates of when nitrogen loads will arrive at Lake Rotorua for various scenarios of land use; effectively predicting the effects on water quality of contributions to Lake Rotorua for a range of land use

scenarios. The output from this model is then fed into the Lake Rotorua water quality model to inform the impact of land use change combined with other in lake interventions, such as sediment capping, P-locking and diversion. It is the first opportunity to inform the community of the timescale around restoration of Lake Rotorua, and will be a tool to assist in making decisions into which combinations of options provide the best outcome for water quality. Neither tool has any economic capability.

11.2 Limiting Factors for Algae Growth

The issue of which nutrient is limiting in each of the lakes within the restoration programme continues to be debated. This has initiated a recent Masters study where mesocosms have been placed in 3 lakes, Rotoma, Tarawera and Rotorua, to test whether nitrogen, phosphorus or both nutrients are limiting algae growth. This work commenced in December 2009 and will continue over the autumn of 2010. This work adds to the jar tests undertaken previously where the same nutrient testing work was undertaken on a smaller scale. The results of this work will assist in informing and confirming the need to target specific nutrient N, P or both in the programme.

12 Financial Implications

Current Budget

There are no implications for the Environment Bay of Plenty Annual Plan arising from this report.

Future Implications

There are no future implications from this report.

Ten Year / Annual Plan Implications

There are no implications for Environment Bay of Plenty's Ten Year Plan arising from this report.

Warwick Murray
Group Manager Land Management

16 February 2010