



Collaborative Stakeholder Group (“CSG”) Workshop 22 Notes

(Day one) 28 January 2016, Don Rowlands Centre, Lake Karapiro,
9.30am – 5.00pm

Attendees:

CSG: George Moss (Dairy), Gwyneth Verkerk (Community), Phil Journeaux (Rural Professionals), Ruth Bartlett (Industry), James Houghton – part (Rural Advocacy), Sally Millar (Delegate for Rural Advocacy), Charlotte Rutherford (Delegate – Dairy), Alamoti Te Pou (Māori Interests), Evelyn Forrest (Community), Brian Hanna (Community), Dave Campbell (Delegate for ENV/NGO), Rick Pridmore (Dairy), Graeme Gleeson (Delegate - Sheep and Beef), Patricia Fordyce (Forestry), Weo Maag (Māori Interests), Garry Maskill (Water supply takes), Michelle Archer (Env/NGO’s), Gayle Leaf (Community), Liz Stolwyk (Community), Don Scarlet (Delegate – Tourism/Recreation), Garth Wilcox (Horticulture - Delegate), Stephen Colson (Energy), James Bailey (Sheep and Beef),

Other: Bill Wasley (Independent Chair), Helen Ritchie (Facilitator), Kataraina Hodge (Deputy Co-chair), Jo Bromley (WRC), Billy Brough (River Iwi Co-ordinator), Jackie Fitchman (WRC), Will Collin (WRC), Janet Amey (WRC), Justine Young (WRC), Emma Reed (WRC), Ruth Lourey (WRC), Ben Ormsby (WRC), Poto Davies (Maniapoto), Will Collin (WRC), Laura Harris (WRC).

TLG: Dr Bryce Cooper (Chair),

Other staff (part): Tracie Dean-Speirs (WRC),

Apologies:

CSG: Gina Rangi (Maori Interests), Rosemary Dixon (Delegate – Energy), Chris Keenan (Horticulture), Alastair Calder (Tourism and Recreation), Sally Davis (Local Government), Alan Fleming (Env/NGO), Matt Makgill (Community), Jason Sebastian (Community),

Other:

Item	Time	Description	Action
1.	9.30am	<p><u>Opening waiata</u></p> <p>CSG independent chairperson opened the workshop</p> <p>CSG independent chairperson acknowledged co-chair of the Healthy Rivers Wai Ora Committee, Katarania</p>	

		<p>Hodge's Queen's Service Medal in the New Years Honours.</p> <p>The CSG were reminded of why they were here. Sector views were important, however the group's thinking had to be elevated beyond any individual sector. Our main aim is in improvement in water quality. The group's thinking needs to be brought together to look at the bigger picture. This will ensure that the bar is set high enough in what we want to achieve in terms of outcomes, policy and a framework that will develop over time, and significant goals and outcomes are achieved.</p> <p>CSG member Garry Maskill informed that group that the new water supply takes will be Mark Bourne.</p>	
2.	9.35am	<p><u>Introduction to CSG22 process</u></p> <p>CSG facilitator gave an overview of the two day workshop, including how the CSG can use their time to develop their thinking on the overall policy package, and what is the current thinking on allocation, before going out to the sectors in February.</p>	
3	9.40am	<p><u>Economic instruments</u></p> <p>This session was presented by Suzie Greenhalgh (economist from Landcare Research).</p> <p>Suzie summarised what she would be presenting. First she would run through the variety of economic instruments, give some examples of where they are being used and outline some of the pros and cons of each.</p> <p>Key points from her presentation included:</p> <ul style="list-style-type: none"> • It is important to first identify what are the drivers of change. It is all about changing behaviour • There are indirect drivers of change that affect direct drivers of change. The important drivers of change that Suzie highlighted for the Healthy Rivers project are: <ul style="list-style-type: none"> - Land use/cover change - Technology adaptation and use - External inputs (e.g. fertiliser use, pest control, irrigation) - Harvest and resource consumption - Climate change • Economic instruments are designed to substitute for or supplement stand-alone regulatory approaches, using price to change behaviour. • They can be broadly categorised into instruments 	

		<p>that are price-based and those that are market based. Price-based instruments directly influence price whereas market-base instruments indirectly influence price through a market</p> <ul style="list-style-type: none"> • Price-based instruments include: <ul style="list-style-type: none"> - Taxes, e.g. fertiliser taxes - Fees and levies - Subsidies (including payments for ecosystem services), e.g. regional council environment funds - Tax credits and rebates, e.g. conservation easements (selling the development right to be able to change land use) - Low interest loans, e.g. national fund for investment in large infrastructure type situations (like upgrade large municipal systems) - Alternative livelihoods • Market-based instruments include: <ul style="list-style-type: none"> - Environmental markets (regulatory and voluntary) - Auctions and tenders (multiple sellers and one buyer) - Eco-labelling <p><u>Price-based instruments</u> <u>Taxes, fees and levies</u></p> <ul style="list-style-type: none"> • These are generally blunt instruments. They are generally not targeted – but can be adjusted. • The devil is in the design. You need to adjust the design to fit the context. If you like an instrument you can change the design of it to make it more palatable. You can think about how to make it work in the context you are in. • Tax rate is difficult to set and may not achieve environmental goal (i.e. it might not create enough incentives to reduce). The hardest thing is to know what level to set the tax. Admin costs may also be high. <p>Q – Doesn't it depend on how you implement it? A – Yes, and you could increase tax if needed. Adaptive interaction. A2 – You can look at who is not responding and what else can be done. In reality you will likely use multiple policy instruments and a combination of instruments can help things work together.</p> <ul style="list-style-type: none"> • In theory you can also 'recycle' the tax, i.e. you can use the money from tax to purchase more reductions or subsidise mitigations. • A benefit is that taxes are hard to evade because everyone faces them (i.e. they are mandatory) and hence the rate of adoption is high <p>Q – How can a tax be adaptive and responsive in our situation?</p>	
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	<p>A – It is difficult for water quality as it takes a while for trends to come through. You can use taxes to incentivise reductions but for monitoring you could use a proxy. Then look at are we seeing a reduction in that proxy. If not, then you would have to think about your tax rate.</p> <p>A2 – You also need to think about the monitoring and evaluation of policies, and think about the costs required to monitor and evaluate.</p> <p>Subsidies</p> <ul style="list-style-type: none"> • These are not compulsory (and you don't always meet the environmental goal). Some problems include not having enough funds or not having enough uptake. • Sometimes the subsidy may not be high enough or people are responding to other things than just financial reasons. such as social or cultural reasons. • You also need an external source of funding, usually government funding. • It is politically attractive. Landowners don't have to do it but they get paid if they do it. Also there is the potential to cost share with private/public partnerships. These partnerships can also result in landowners buying in more and being more likely to maintain the mitigations over the long term. <p>Tax credits and rebates.</p> <ul style="list-style-type: none"> • These are also not compulsory and hence may not achieve the environmental goal. • If there are high upfront costs then these could be a deterrent if they can't get initial cash flow. • A positive is that admin is straight forward. <p>Low interest loans</p> <ul style="list-style-type: none"> • These are again not compulsory so you may not get environmental gains. If the interest rate isn't low enough then adoption rates may be low. <p>Alternative livelihoods.</p> <ul style="list-style-type: none"> • Are there ways to incentivise people to completely change what they are doing on their land? Finding an alternative income stream for them could be a more attractive way to move land from one use to another. <p>CSG discussion:</p> <p>Taxes and rebates. Admin may be straight forward but in most cases there are high transaction costs. Taxes also create a fiscal drag which impacts on businesses.</p> <p>A – Taxes on things that are inelastic are not a good idea, e.g. fertiliser. The tax would need to be very high to achieve change.</p> <p>A1 – Sometimes the motivation is 'I am prepared to pay that tax rather than reduce'. Hence there have been moves to output based taxes.</p>	
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		<p><u>Market-based instruments</u></p> <p>Environment markets.</p> <ul style="list-style-type: none"> • These can be voluntary but are generally associated with regulation. • This means that those who can make low cost mitigations can reduce below what they might need to and can then sell the excess to someone else. An example is the Taupo N market. <p>Auctions and tenders.</p> <ul style="list-style-type: none"> • Often tied with subsidies. This involves council purchasing the most cost-effective reductions. • These can have an increased number of participants and different participants. They also attract a different set of people than subsidies. • If you are going to use it make sure you have the enabling conditions right. <p>Ecolabelling.</p> <ul style="list-style-type: none"> • An example of this is Taupo Beef. This is a way to capitalise on a situation to get market advantage, be able to sell at a higher price. • It is not compulsory but may provide market advantages such as greater market share, high prices, market access and product recognition. • It can stimulate the development of best-practice. However when does best practice become common practice and you have to up the bar? • Risks – standards may be expensive and arduous (e.g. 3rd party certification). <ul style="list-style-type: none"> • Environmental markets are not compulsory but they can be associated with a regulation that is compulsory. They can also add flexibility which can reduce costs and can tend to stimulate innovation if set up correctly. • It is a new operating model for people and people are not familiar with them. You might need new infrastructure, e.g. a tool to see who is buying and selling on the internet. • Buyers and sellers also have to find each other. This can be hard, especially when there are not many market participants. • Risks include leakage. This is where you get reduction in one place but not in another, e.g. could be loopholes. You would need to stop that kind of behaviour. • Risk also include the potential for hotspots. Hotspots in this context are where you have allowed trades to happen and it results in a decrease in water quality in a place. For example a top of the catchment purchase from the bottom of the catchment. Could result in a higher level of pollutants moving down catchment. A trading rule such as no downstream trades could fix this, i.e. allowing only purchasing from upstream. 	
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		<p>Q – What are your thoughts on trading in a P or N market where you have some corporate players vs family farms? Corporate players could have more knowledge. Is this good or bad and should it be managed?</p> <p>A – This is not a problem in most markets. Markets give flexibility for buying and selling. The hard bit is the regulation behind the market and mum and dad farmers having to make reductions on the basis of that regulation. Are they going to lose out due to being slower? Not necessarily. Corporate players could be slower they each might have different stickiness (how fast decisions can be made) and different transaction costs.</p> <p><u>What are the things you might like to think about when looking at these instruments?</u></p> <ul style="list-style-type: none"> • Is it voluntary or mandatory? (voluntary you are not guaranteed of getting environmental goal) • Whether it applies to a single contaminant or multiple contaminants (can use the same instrument or need multiple) • Performance based or practice based (performance based are tools that can increase flexibility) • Induces behaviour change (need to think of how you design it) • Provides flex (giving landowner to choose what is most appropriate for them) • Certainty of environmental outcome • Promote innovation • Cost burden (who pays - landowner or agency)? • New institutional capacity or infrastructures (if you don't have it in place then someone needs to pay for it) • Enforcement costs (if it will cost too much to ensure everyone is doing what they are meant to be doing) <ul style="list-style-type: none"> • Also need to beware of perverse incentives. Unintended consequences often due to poor design or implementation. • Need primary and secondary instruments. Secondary instruments can equalise burden and distribution of costs. Reduction in contaminants will have costs and you can use secondary instruments to reduce burden. • In theory economic instruments can be very efficient and effective tools. However the design of mechanisms needs to be appropriate and the capacity and willingness of agencies is key. <p><u>Questions and answers</u></p>	
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		<p>Q – Where do offsets fit? A – Offsets can be part of environmental markets. For example in the US they regulate point sources but not non-point sources. The non point sources can generate credits that they can sell to point sources.</p> <p>Q – Do you have any experience around setting up markets at a catchment level? A – Waikato is not that big. It would not be difficult to do. Bigger catchments mean more fluid markets, i.e. more buyers and sellers. It underpins a regulation.</p> <p>Q – Does a local government rate have the same characteristics as a tax? A – It can do. It is compulsory. Can also give rebates around matters such as pest control etc.</p> <p>Q – In Waikato we have many sub-catchments which each have different issues needing to be fixed. Could mean many trading pools or many taxes. Trading between different pools wouldn't be wise, as has been mentioned re upstream vs downstream trades. Water quality involves site specific issues. How would this work with many different pools? A – If you have several points of interest where at different points you have different water quality objectives to be achieved. You don't want to be trading when there is no commonality. The physical how is not a challenge. Same infrastructure. Setting rules is the challenge.</p> <p>Q – What about a land use tax? Assessing what land use is from GIS system or using satellite images? A – Couple of different things. Landcare is doing some work in this space. The technology exists (in certain parts of the world) to do this and it is possible to actually classify land in NZ into types of intensity. Arable is easier to classify than pastoral systems. Hence we can't really do this yet but are getting there.</p> <p>Bill thanked Suzie for setting scene, providing input to the thinking of the CSG and responding to the range of questions.</p>	
	10.40am	Morning tea	
4	11.00am	<u>Natural capital panel</u>	
		<p>The CSG facilitator introduced the panel members Alec MacKay, Susie Greenhalgh, Stewart Ledgard and Beat Huser, to the CSG members, who each gave a brief introduction to themselves and their work.</p> <p>The main question for the panel to consider was <i>'How could natural capital approaches be applied to allocating discharge allowances at a farm level to help</i></p>	

meet our desired water quality outcomes, given we are working with four contaminants?’

Each panel member was asked to consider the above question and give their views on it and Natural Capital generally.

Summary of panel members comments to CSG

Beat Huser

- No generally agreed upon definition of what the ‘natural capital approach’ is.
- Most important things to consider are scale and integration.
- Integration between resources and flow from capitals coming from the land to the economy or any other services.
- Natural resources is being looked at on a national level but also needs to be broken down to farm level.
- Need to provide a better framework to work within.
- A lot of information is needed to make the approach successful.
- Full approach costs and benefits need to be considered, still too early at this point.
- All countries need to be on the same page, work towards a common goal.

Alec MacKay

- Need to decouple from existing uses of land.
- Need to put caps on contaminants.
- Enables industry to respond to the market
- Recognises that all land is not the same in what it can produce, or how it filters water.
- Potential for a policy that is the best use of resources in the future.
- Require more investment in areas where there is less natural capital.
- Should there be separate allocation scales? Eg slope land vs flat land.
- Need to find an approach that works on the ground and then a policy can be built around this.

Stewart Ledgard

- Have to recognise the soil and the condition of the land and how this effects the mitigation and risk of loss of contaminants
- Some soil types are better than others for the approach.
- Many factors affect the loss of sediments e.g. land use, land slope. Different contaminants behave differently. LUC is one factor. But you can have LUC3 land with low losses of N and land in the same LUC class with high N losses.

		<ul style="list-style-type: none"> - Need to account for difference - The level of detail that you go down to is where you create the difference, need to think how you can use the difference. <p>Susie Greenhalgh</p> <ul style="list-style-type: none"> - Realise the practicalities of working with the four contaminants - Need to have the right information and tools available in order to use natural capital. - Each owner will be bound by the four contaminants but in reality is more likely to be limited by one of them, in their site/farm. - Concentrating on one will then automatically have an effect on the others. - What is the land use? Who will lose and what will those losses be. - Will there be compensation to those who will lose out? <p>Questions to the panel</p> <p>Q - Shifting to a Natural Capital allocation has huge social and economic costs with both massive gains and losses. There have been huge economic pressures on farming in NZ over the last 100 years, on farm productivity, farm owners have had an effect,- the human factor is in fact the most important factor determining what is discharged from the land. The differences in land use will cause disproportional losses. Are we going to have more flexible land use after the transitions?</p> <p>A – Susie - distribution of cost changes will dramatically alter the main characteristic of land use. Not a blanket rule, there will be changes from 10-50-100% reductions.</p> <p>Alec – there are a lot of catchments where there are limits, there is not a policy that would fit the whole country. This is a long term transition period, 80+ years, there must be an optimum use of resources. There are personal and financial costs</p> <p>Beat – need to look at the best use of the land - it's a resource based economy. We tend to focus on costs but may have to focus more on the benefits of sustaining natural capital in the long term.</p> <p>Q – We need to rethink what is the best use in terms of economic aspects e.g forestry land change to 'best-use'. We need to set limits on the four contaminants to dictate how the land is best managed. A natural capital approach will tease out the best land use, there will be long term gain, particularly compared to grandparenting.</p> <p>A – Susie – in reality you are setting a limit and transferring wealth whilst still trying to meet the environmental goals, it is all about how we distribute the costs.</p> <p>Q – Can natural capital be broken down onto a farm-scale effectively? How far down does the scale need to</p>	
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		<p>go?</p> <p>Stew – These principles are already being used at farm level and farmers recognise the problems. Natural capital is, in principal, the differences in soils and how they are used.</p> <p>Alec- the basis for a good farm plan is good resource information and so this must be provided to farmers. This, as well as how you interact with the farmers, are the most important aspects, and the process will become more sophisticated the more improvements are made.</p> <p>Beat - the best use of the land is the best way to manage it, the more data that becomes available the more this can be turned into something useful. Has to be considered on a farm scale, how can we use the natural capital approach in relation to the four contaminants as they are not created equal? How are we to bring this out of farm level and apply it catchment-wide as well when there are different needs that have to addressed.</p> <p>Currently only looking at N in detail but there is already good evidence to suggest that through interaction with the land the outcome can be affected.</p> <p>Susie – Can allocate on three of the contaminants, maybe not on E.coli. What can we feasibly achieve? How will you track the effects?</p> <p>Stew – May have to look at the four contaminants separately. What would the calculations look like, as all soil is not the same? What are the risk factors involved. Goes beyond a straight LUC classification.</p> <p>Alec- several factors used to define soil, different classes. The higher quality soil is where the biggest results will be seen and there are more tools available.</p> <p>Q – Do you think that farmers are currently not using natural capital well?</p> <p>Stew – losses occur in cycles naturally, it is about managing the risks and losses correctly.</p> <p>Susie – We are currently not managing the land to the best of our abilities. We have learnt to over compensate when using the soil above its full potential, use of Nitrogen fertilisers is an example of this but no consideration has been given to the impact of these beyond the farm. It is not just about land use but also intensity. The biggest driver is human capability.</p> <p>Leaching is insensitive to price of inputs; horticulture will choose to put the nutrients on to avoid loss of growth and we need to ask how farmers will achieve levels which they may never realistically be able to meet. Leaching causes different effects in different areas. Boils down to implementation and its costs and that the right resources are available in the different sub-catchments. Hard to look 80 years into the future and accurately predict the effects of the natural capital approach.</p>	
		<p>Q – Where does the panel stand on trading?</p> <p>A – If you are talking about one allocation approach vs</p>	

	<p>another, then assuming you have set limits you should end up getting to the same place (in terms of water quality). Trading just changes the distribution of costs. A – A natural capital allocation approach does not always result in high transaction costs</p> <p>Q – If we looked at stocking rates, could we use that as a proxy as a way of giving effect to natural capital? A – Stocking rate is a poor indicator of N loss. It is a broad and very crude indicator. Hence the science community has moved beyond that to tools like OVERSEER. Stocking rate limits happened in Europe and cows now lose more N (per cow) as a result. A2 – How much goes through animals is more important than the number of animals.</p> <p>Q – How do we build in attenuation after loss through root zone? A – Regardless of the allocation method used you have to use an attenuation factor. 0.5 is generally used but as more info is gained then we can link attenuation further.</p> <p><u>Comments from Bryce</u></p> <p>Bryce firstly thanked the panel.</p> <p>Bryce noted that these matters are complicated and that here in the Waikato we are trying to do something that hasn't been done before, by focusing on 4 contaminants.</p> <p>From what Bryce had heard if there was suitable knowledge and techniques, yes you could do a natural capital approach. However that info base and models are a caveat.</p> <p>Science that has been done by TLG and others should be utilised somehow. We shouldn't say that is too hard and throw it away, we can do better.</p> <p>How do we account for spatial variability? Can come from natural properties of land and what happens on that land. Land suitability approach.</p> <p>We have 4 river FMUs where we desire to be meeting different limits. We have those limits. We don't have to think about that environmental aspect of it because we have set those limits. Next question is how do we get there.</p> <p>It's not rocket science when you boil it down. A whole bunch of logical things.</p> <p>Issue lies in trying to get quantitative on allocation matters when we don't have the science to be able to do that.</p>	
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		<p>A risk based approach that says that these are things that are contributing to contaminant losses. We can't quantify it but we can say that certain things that happen in certain places will pose a greater risk and we need to manage those.</p> <p>TLG modelling has generated maps from same principles from what the erosion risk might be. Not different from a land use capability approach.</p> <p>Where the difference lies is in terminology. We need to understand the drivers and tailor an approach to what we need to do. Can't just say use LUC and that's our approach.</p> <p>It is more than a technical issue. You need to start talking about equity and transition costs and what different policies will mean for different people.</p> <p>Find a middle ground.</p> <p>What TLG process has done is identify spatially where we have got over allocation and where we need to do some mitigations. It does not do this at a farm scale, but we can we develop up some policy around requiring those hotspots at sub-catchment level to do something mandatory in terms of a tailored farm plan. Only at a farm scale can you efficiently mitigate those contaminants. Requirement to do that could well be driven be the hotspot maps and the intensity to what people will need to do things in those catchments may well be a lot higher in those catchments then in other catchments.</p> <p>Don't forget the policy selection criteria when doing this. Think about which ones your policy mix is ticking off and which ones it isn't.</p> <p>CSG discussion</p> <p>We need to bridge the gap. Understand that there are similarities between heat maps and LUC. However we need to decouple existing land use from where land use could (or should) be.</p> <p>A – The heat maps are saying where you need to do actions.</p> <p>A2 – They are a product of what you are doing currently and what you want to achieve.</p> <p>A3 – It is important to outline changes to get from existing use to where you want to be.</p> <p>A5 – It is not as simple as taking LUC, it is taking the underlying info and adapting it to what we are trying to achieve.</p>	
	1:00pm	Lunch	

6.	1:45pm	<p><u>Overall policy package</u> This session was begun by Emma Reed.</p> <p>Emma gave an overview of the documents in the agenda pack and how they related to the day's discussions.</p> <p>A handout was also given with a flow diagram/decision tree, a summary and an overview of different activity statuses.</p> <p>The decision tree highlighted the current shape of the CSG's policy mix. The first rule is regarding stock exclusion. The second rule is regarding a change in land use.</p> <p>The decision tree contains many decisions, each of which has a threshold. The aim of the tree is that you fall into one category. The decision tree was developed using information from the property plan sub-group on what the thresholds and gateways should be.</p> <p>The decision tree separates the approach for N from the approach for the other 3 contaminants. This was done in January and has not had TLG input as yet.</p> <p>The first gateway is about where you are in the Waikato and Waipa catchments. If you are in one of the high risk mapped areas then you fit into the rule 5 controlled activity category. This will mean you have to get a consent, but as a controlled activity that consent will definitely be granted.</p> <p>For all other areas other than those classified as high risk the next gateway is are you classed as low intensity? There may be places in the Waikato and Waipa catchments that are low risk that include farm enterprises that are low risk. This has been defined as having less than 8 stock units per ha (where a ewe is 1 stock unit and a dairy cow is 7 stock units) on grazed land or applying less than 75kg of N per ha per year for non-grazed land. For those in this low intensity group you would fit into the rule 3 permitted activity category.</p> <p>There is still some thinking to be done around what is high risk and low risk. TLG input is required on this.</p> <p>For those who aren't in the high risk areas and are also not low intensity there are two pathways.</p> <p>Firstly for sediment, P and E.coli there is a pathway. The threshold is if you can meet the following conditions?</p> <ul style="list-style-type: none"> - LUC 1-5 - No grazed winter forage crops - No perennial waterways OR - 5m for cultivation setback and 3m grazing 	
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		<p style="text-align: center;">setback from perennial waterways.</p> <p>If you can meet these conditions you would fit into the rule 4 permitted activity category.</p> <p>If you can't meet those conditions then the next threshold is if you are part of a certified industry scheme and have a property plan through that scheme. If yes then you would fit into a separate permitted activity rule category (no rule written yet for this). If no then controlled activity (rule 5).</p> <p>For the N pathway the first step is all farms understanding what they are doing now in order for the benchmarking process to be able to be undertaken.</p> <p>There will be an upper limit on how much N can be lost, i.e. the top 25%ile will have to reduce to at least that 75%ile mark.</p> <p>Q – What happens if you are a land owner and leasing land? A – Like existing rules any obligations will have to be included in the conditions in the lease</p> <p>Q – How many farms are above 8 stock units per ha? A – Most. 8 stock units roughly equals 1 dairy cow or 8 sheep.</p> <p>At this point Justine began her part of the presentation. She first thanked property plan subgroup for the work they had done on this matter.</p> <p>Previously we have been talking about an N allocation but we might now be looking at allocating responsibility for all 4 contaminants.</p> <p>However, at the present, we can't allocate the other contaminants at a property level. Also there are issues with allocating N without first doing the benchmarking exercise. For this reason, CSG have been looking at doing property plans in this first period and moving to an N allocation at a future time.</p> <p>Perhaps we need a risk threshold based on overlays of risk for each contaminant and use to decide how to apply the farm menus in a particular site.</p> <p>Q – Would this be risk based around LUC? A – It would be around the risk of not achieving water quality targets.</p> <p>Q – A high risk area immediately needs a resource consent and property plan. Why do we need a consent to farm?</p>	
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	<p>A – Advice from the implementers previously given to CSG is that if you want anyone to assess this plan and whether it is good enough you will need a consent process.</p> <p>S – Don't recall CSG making that as a decision but suddenly have gone from not needing a consent to needing one.</p> <p>A – The idea came from the implementers' feedback and this was the basis that the property plan subgroup also used. If you want flex then you essentially need a consent.</p> <p>There is more work to be done on risk and looking at heat maps and looking at all four contaminants.</p> <p>Diagram on page shows how long will it take the plan to become operative 2021. 5 years to get to operative.</p> <p>CSG discussion It depends on how much emphasis and push there is to get it done faster.</p> <p>5 years is a long time, certainly looking for it to move and to be pushed along from WRC.</p> <p>Rules can have immediate effect from date of notification too.</p> <p>Q – There seems like there could be multiple consents. Could we look at bundling? A – The risk with bundling is that you would end up with the highest activity status by default. A2 – Costs need to be considered.</p> <p>Need to remember that existing rules will be alongside new ones.</p> <p>Q – Will they be? Looking for sediment standards to drop out as council has commented that they are never enforced as you can't go back and see who did it at a property level A – Some aspects of plan we are looking to change, such as the sediment in-stream limit. Other rules in the plan that will be picked up with the wider regional plan review. This includes urban design and roading etc.</p> <p>SHowever we will want to test and see what the composite measures for sediment are [once the whole policy package has been finalised] and that we have still got rules for earthworks etc. Not undoing the benefits of policies that are working well for the most part.</p> <p>What will happen from 2016:</p>	
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		<ul style="list-style-type: none"> - Restrict increases in discharges to land and water by preventing land use change and stock in water - Start reducing discharges through property plans and undertaking actions - The future allocation framework for N is signalled in the policy (or could be for all contaminants) - Collect info needed for benchmarking so allocation can occur in the future - Some allowance for some landowners to develop land that for historical reasons has not been developed <p>It is noted that it is going to take a while to get round everyone to do property plans. Dairy will be faster and all farms should have one by 2025.</p> <p>Q – Is there scope that we signal what it [the allocation framework] is not going to look like, e.g. CSG is clear we are not going to grandparent. A – Yes A2 – However if we don't say what we are going to be doing then it could be misconstrued as grandparenting.</p> <p>We could say something like land use should be occurring where it should best occur and it is not going to be grandparenting.</p> <p>We have got to be careful that we don't fall into a default mechanism. In essence we are allocating across all four contaminants with our farm plans. We might not know what is happening with allocation but we have got allocation principles sitting here. But we need to have made more concrete decisions around the end game for allocation.</p> <p>Q – Best management practice no matter who you are seems to not be here [in the policy mix handout]? A – The plan is to specify basic practices for everybody in the conditions. Industries with industry schemes will define GMP for those industries. Others will go in to get a consent with a certified planner and then identify GMP.</p> <p>Q – Would you need a consent to have 50 acres turned into growing trees? A – No consent would be needed</p> <p>Q – In-stream limits for the attributes. Can we do that to achieve swimmability etc. Will there be limits in the plan in May? A – Absolutely</p> <p>Need to think more about this idea of risk. For example could use the farm menus as a starting point to define</p>	
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		<p>what needs to be done, in light of risk.</p> <p>A key matter is about the timing of when everything happens. We need to try and avoid expensive rethinking. If we know now that major land use has to happen then we need to give the people who have to undertake this fair warning. We have got to create a pathway for this, whether it is full or half farm situation. For example the land could go into an offset pool or something.</p> <p>Need to think about how the policy mix will affect different people. Doing a staged approach when you don't know what is next means no certainty. Need to identify is there going to be headroom and if so when.</p> <p>Justine then introduced Shaun Plant, the WRC in house legal advisor.</p> <p>Justine asked Shaun to think about allocating an additional portion of development right in a future plan change and the legalities around that.</p> <p>Key points from Shaun's comments included:</p> <ul style="list-style-type: none"> • He has only looked once over the rules so far and has had a short time to look at this. • The policy mix in general is not inconsistent with the regional council functions under the Act. However, whether the rules are appropriate it is too early to say. • We need to start working on the language and terminology to make sure it consistent and clear. Shaun will be assisting with this task going forward. • In regards to an allowance for certain land owners to develop, if this was described as being a discharge allowance for underdeveloped Māori land then the case law would suggest that you can't differentiate between different sectors in the community. • There is quite a bit of case law around this topic and council faced it in V6 when looking to give iwi allocation of water. • The RMA is focussed on activities not on people. So it depends on how the rule is drafted. If it is an allocation for a particular sector of the community then this could be challenged. However if this was presented in a different way, like an activity, then that is what the Act provides for. • A rule that focuses on a sector of the community will be open to challenge. <p>CSG Discussion As an example, in 2009 an iwi got back their settlement land. The ETS situation was not great. Crown forest</p>	
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		<p>licenses are on the land so it has all taken time to initially obtain land and then be able to make any decisions about it. They are trying to progress their way into decision making. The activity is trees but it is different circumstances than most.</p> <p>A – Shaun noted he wasn't given anything specific to look at. He just looked into the case law and is not saying that this will necessarily be the case here. For example it might not be an allocation, it might be an activity. But thinking of it in terms of giving an allocation to discharge to a sector of the community, then if someone wants to challenge it, then the case law is what the Environment Court will look at. If you have an objective that you want to achieve then it might not be achieved through an allocation, there might be another way to do it. Focus on the activity, not who it is doing the activity.</p> <p>In our current set of rules if iwi wanted to change land use and they meet whatever the conditions are then would they get the consent? We don't know what decisions iwi will make but is there a process they could go through to get there?</p> <p>Q – Can they [iwi] apply for consent? A – Yes like everyone.</p> <p>Q – Relationship with Maori with their ancestral lands is in the Act. Enabling Maori to do this shouldn't be a problem. A – Ownership of land isn't relevant under the current rule framework. Could alter your rule framework to address this.</p> <p>A suggestion was made to get more input from lawyers and iwi staff to progress this further.</p> <p>Shaun made a final comment around if we define the issues, we can then work out how to get there.</p> <p>It was noted that more work is needed on this issue, rather than placing legal advisory staff in the position of having to respond on the spot in this type of situation.</p>	
	3:15pm	Afternoon tea	
8.	3:30pm	<p><u>Catchment wide rules on stock exclusion</u></p> <p>The CSG received a presentation regarding stock exclusion in the catchment wide rules. The group was referred to the handout 'Summary of CSG thinking for discussion: decision tree of rules (DM#3682408)</p> <p>Summary of presentation</p>	

		<ul style="list-style-type: none"> • The rule for stock exclusion has its own report • 'Bus stop' exercise by CSG generated the rule components, summary of which can be found in table in the agenda report (DM#3651049). • Took a summary of this to the implementation team and had a session on this to get their advice on the CSG's ideas. • The sub-group on 15th January 2016 touched upon this. • Implementers thought current RMA definition was easier to enforce as using the 'perennial' definition gives a farmer an 'out' i.e. they can say that that stream is not perennial, it dries up in summer. • Patrick Lynch talked to the CSG regarding the Implementation side of the report. • Good rules tend to also be the most simple • Need to try and narrow down the rules • Discussed the table on page 2 of the handout (DM#3682408) in more detail • Use the RMA definition of a stream to make it clear for all. (river means a continually or intermittently flowing body of fresh water; and includes a stream and modified watercourse; but does not include any artificial watercourse (including an irrigation canal, water supply race, canal for the supply of water for electricity power generation, and farm drainage canal) <p>This then opened up to a discussion with the CSG</p> <p><u>Summary of discussion on stock exclusion</u></p> <ul style="list-style-type: none"> - Pleased to hear that 'intermittent' had been addressed although still may be need to be considered in finer detail and a strong definition of what is included within intermittent' - Need strong definitions to ensure there is no confusion for farmers, is there any lee-way with areas of water that may be due to extreme weather events - The RMA makes allowances for factors that are beyond your control and cannot be foreseen. - Simple definition of 'river/stream' is used so there is no confusion - Members of the CSG would like to see the 	
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		<p>date for when this must be done standardised for all cattle.</p> <ul style="list-style-type: none"> - Although this may be costly all sectors are in the same boat and work must be carried out. - Does wetlands include natural and constructed? Implementers feel that all wetlands should fall under this. <p>The CSG discussed how they felt about 'intermittent' further in small groups before reporting back to the group as a whole.</p> <ul style="list-style-type: none"> - The majority of the group were uncomfortable with including the broader definition of intermittent in this rule. - Drains need to be considered in more detail, this will be looked at in further detail in February's meeting. - Should we really expect a rule that covers all or is it better to work on one that covers the majority. - As long as we indicate what we are trying to achieve in the long run then if no progress is being made then changes can always be made at a later date. - Concerns over the cost of having to fence off all permanent waterways at once - Is aiming for 2025 something that all are comfortable? Still sooner than LAWF - Would it be preferable for permanent to be covered in catchment wide and then intermittent in individual property plans? - If no fixed setbacks are stated in the rule then will they have to be individually consented? - Setbacks can vary depending on circumstances - Mix of policies in place to cover most of the concerns, simplify and target, having something is better than not giving any restrictions. <p>The conclusion of this discussion was that the CSG were more in favour of using their original concept of this rule applying to permanent waterways, and that extending this to drains should be considered at the February meeting. Stock exclusion from intermittent streams should be addressed via farm plans.</p>	
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		Note: Env't NGOs preferred to capture intermittent and also note their concerns about sheep grazing wetlands	
9.	4:00	<p><u>Catchment wide rule on intensification</u></p> <p>The Policy team presented further slides for the CSG regarding catchment wide rules on intensification. (DM#3675576) This included the options that had/were being considered:</p> <p>Option A: Increases in discharges beyond 10% of a baseline level of nitrogen require a resource consent (option taken to October 2015 community consultation).</p> <p>Option B: Certain land use changes are prevented e.g. no conversion of production forestry to dairy</p> <p>Option C: Land use or intensification occurs but effects are managed (e.g. rule similar to Environment Southland and South Waikato District Council)</p> <p>Option D: Landholders can continue farming activities in same way (i.e. "current" discharge levels) as they are farming in 2016, as long as there is no intensification (as defined) but any overall increases will require a resource consent (operate under current N discharge levels).</p> <p>Option E: For the first 5 years from notification any increase in discharge of any of the four contaminants will require a non-complying resource consent</p> <p>Noting that the onus would be on the applicant to demonstrate there will be no more than minor effects from the increase in any or all of the contaminants.</p> <p>Noting that there may need to be an exemption of some activities that the group want to occur without requiring a resource consent e.g. forest harvesting that will increase sediment and Nitrogen, seasonal rotation horticulture, new tourism.'</p> <p>The conclusion reached at the last CSG meeting was to pursue a 'no major land use change' rule option as this could be applied immediately, and would capture the major shifts in intensity that can be observed. Other policies (such as the property plan rule and the reduction of high N-emitters) would address other forms of intensification, and benchmarking would ensure anyone</p>	

		<p>'gaming the system' by intensifying now would have to reverse that if the ultimate allocation did not allow for this.</p> <p><u>CSG discussion:</u></p> <ul style="list-style-type: none"> - Need a definition of the difference for cropping and horticulture. Policy are still working on this but would appreciate any suggestions from the group – getting these definitions right will be a key task for the drafting sub-group. - Concerns over non-compliant activity - Some members of the group feel as though this sounds as if it is moratorium. - Should policy have reference to ancestral/ Māori land? - Agreement that there will always be factors that were not considered, can't contain every possibility. - Main purpose of this is to send a clear policy message and have the necessary framework to back this up. - How much consideration should be given to indigenous forest? For purposes of this policy suggest combining indigenous and plantation forest into 'woody vegetation' or 'tree cover' as they have similar discharges of contaminants - Concerns over mixed enterprise in relation to change of land use. Policy agree that this is unclear at the moment and will need to be worked through. - The facilitator explained to the group that this finer detail being needed was why it is being taken out to sectors for their feedback. - What is the definition of 'major' land change? Policy – a size limit could be considered and added. Again, this is the detail required. 	
	5.00pm	Close	



Collaborative Stakeholder Group (“CSG”) Workshop 22 Notes

**(Day two) 29 January 2016, Don Rowland Centre, Lake Karapiro
8.30am – 4pm**

Attendees:

CSG: George Moss (Dairy), Gwyneth Verkerk (Community), Phil Journeaux (Rural Professionals), Ruth Bartlett (Industry), Patricia Fordyce (Forestry), Weo Maag (Māori Interests), Charlotte Rutherford (Delegate – Dairy), Sally Millar (Delegate – Rural Advocacy), James Houghton (Rural Advocacy), Evelyn Forrest (Community), Dave Campbell (Delegate – ENV/NGO’s), Jason Sebastian (Community), Rick Pridmore (Dairy), Graeme Gleeson (Delegate – Sheep and Beef), Garry Maskill (Water supply takes), Gayle Leaf (Community), Alamoti Te Pou (Māori Interests), Gina Rangi (Māori Interests), Tim Harty (Delegate – Local Govt), Don Scarlet (Delegate – Tourism/ Recreation), James Bailey (Sheep and Beef), Stephen Colson (Energy), Garth Wilcox (Delegate – Horticulture), Brian Hanna - (Community), Tim Mackenzie (Delegate – Energy)

Other: Bill Wasley (Independent Chair), Helen Ritchie (Facilitator), Janine Hayward (WRC), Will Collin (WRC), Jackie Fitchman (WRC), Janet Amey (WRC), Jacqui Henry (WRC), Justine Young (WRC), Michelle Hodges (WRA), Kataraina Hodge (HRWO Co-chair), Grant Kettle (Raukawa), Poto Davis (Maniapoto), Tony Quickfall (WRC), Jo Bromley (WRC), Emma Reed (WRC), Ruth Lourey (WRC), Jonathan Cowie (WRC), Vicki Carruthers (WRC), Billy Brough (River Iwi Co-ordinator), Alice Barnett (Tuwharetoa)

TLG: Dr Bryce Cooper (Chair)

Other (part): Bill Vant (WRC)

Apologies:

CSG: Sally Davis (Local Government), Gina Rangi (Māori interests), Jason Sebastian (Community Representative)

Other:

Item	Description	Action
9	8:30am <u>Waiata and CSG-only time</u>	
	<ul style="list-style-type: none"> Outlined various matters for discussion, these included seeking CSG members attendance at the following 	

		<p>meetings :</p> <p>HRWO Workshop, 5th Feb James Bailey, Rick Pridmore, Jason Sebastian, George Moss and Weo Magg agreed to attend.</p> <p>Integrated catchment Committee, 11th Feb Stephen Colson and James Houghton agreed to attend.</p> <p>Council workshop, 24th Feb Rick Pridmore, Alistair Calder, Ruth Barlett, Dave Campbell and Jason Sebastian to attend.</p> <p>Other matters discussed, included expediting of the Schedule 1 process, resourcing of plan change through to it becoming operative. There was considerable discussion on understanding the technical information so that CSG can explain the basis of their decisions. Several matters were also highlighted for further work/ reporting back and discussion at the 18/19 Feb CSG. This included further background work needed on the legal basis for policy options for Maori land and wording for any objectives, policies and definitions on this matter.</p> <p>Need for further TLG support around prioritising risk and systems for land suitability that could support allocation principles.</p> <p>Dates to be set for the plan-drafting sub-committee to meet.</p>	
	9:45am	<p><u>Achieving change and confirming allocation principles</u></p> <p>This session was begun by the Facilitator who summarised where the CSG has got to at this stage.</p> <p>Achieving change and allocating responsibility</p> <ul style="list-style-type: none"> - We have our flow chart & rules - We need to; <ul style="list-style-type: none"> o Describe what goes in the blue bubble for N (short term) o Refine our idea of 'high risk' for P, sediment & E.coli (we my need 4 different risk overlays or 1 superscore overlay), and work out how we achieve enough change o Describe our allocation approach. <p>Allocation approach</p> <ul style="list-style-type: none"> - Moving from the 'blue bubble' (most likely starting from current position plus reduce top emitters to a cap (75%) plus others make some reductions) to... - An allocation reflecting these principles <ul style="list-style-type: none"> o More intensive land use occurs on land best suited to this (includes allowing some desirable activity with higher discharge)('suited' includes land/water suitability) o Some flexibility for underdeveloped land (land with ancestral relationship) o Minimise social disruption in transition and least 	

		<p>cost overall.</p> <p>Achieving change for the 4 contaminants</p> <p>E. coli & sediment – Can't allocate a property level number – must meet targets in all tribs → Manage risk everywhere (but could use heat maps to prioritise timing and/or guide where to do more)</p> <p>Phosphorus – can't allocate a property level number in future, can get indication of P surplus – Must meet targets in mainstream → Option to manage risk everywhere <u>OR</u> focus on high risk properties or select 'high' P reduction 'catchment' & work there.</p> <p>Nitrogen – Can allocate a property level number in future (or even now) – Must meet targets in mainstem. →</p> <ul style="list-style-type: none"> - Options to apply pricing/trading - Options to allocate a defined increase for under developed land - Options to allocate according to land suitability- not based on pure LUC but on risk of N loss to water (more tech work needed) - combo of approaches. <p>Questions</p> <ul style="list-style-type: none"> - How do we provide guidance to property planners as to how much is enough? (including minimum GMP & guide land use to where it is best suited for these contaminants - likely to reflect LUC and other mitigations). Suggest property plan group reconvene to look at this further. - How do we make an allowance for any increase (beyond requiring new developments to have a high standard of BMP) - To allocate or not? Overseer subgroup suggested we don't allocate a property number now because; <ul style="list-style-type: none"> o we haven't benchmarked everyone yet o we have doubts about robustness of model (Overseer)/think it is too limited <p>So, if we accept this logic, in the meantime do we....</p> <ul style="list-style-type: none"> o Treat N like other contaminants and generally identify risk and work to reduce it? o <u>OR</u> Specify how much reduction is to be made in this 10 year period <p>(Both these options can include bringing highest emitters down)</p> <p>Bryce was asked to comment on prioritisation of risk.</p> <p>Bryce noted that using OVERSEER for P is good enough from a risk perspective as opposed to a quantitative perspective.</p> <p>There are options. We could manage risk everywhere or focus on high risk properties or select high P reduction catchments and work there.</p>	
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Comments and questions

We need to bring this back to the sub-catchments and heat maps. There is a need to set guidelines for reductions for property plans and where farmers say they can't go any further then that is documented and recorded.

Worried that if we focus on the sub-catchments too much then we could end up with 74 healthy rivers processes. There is also a concern that the heat maps are good but they are based around existing use.

Q – Are there concerns in terms of measuring targets and if we can't do that then are we open to challenge?

A – It is important to give the property planners guidance, more so to specify reductions required.

A2 – We should put some guidance in the plan. Without having a number you could still pick up the plan change and see what sort of guidance your catchment has. The more clarity you can give people the better.

The model has mitigations built in. Can we incorporate those mitigations? We could say these are the mitigations that should be considered and these are the mitigations that could be used.

Need to directly indicate at a farm level the x% reduction required. We may know that we need a y% reduction in the river but this analysis needs to be done at farm level too.

For N we could have TLG come up with a calculation for a baseline right that all land has. Such as putting everyone at 12 or 15 and then understand size or space we have to create. If they are below they are alright and if they are above they would need to reduce.

We are talking about 10 year results and actions from farm plans. First target is to get farm plan in place and second is to get commitment period actions implemented and monitored.

Need to figure out where land use change is needed.

We need to send a strong signal of where we are heading to stop any gaming.

Though this could destabilise land prices and could make it harder for people who want to exit.

Talking about saying to farmers must reduce by a percentage. Be benchmarked and then over next 10 yrs have to reduce by a %. Top 25%ile then have to do more.

From wider community perspective we need something that

		<p>can be achieved and people can relate to, that a groundswell of people can relate to and can be communicated well.</p> <p>The CSG then broke into small groups to discuss options further</p>	
	10:40am	<u>Morning Tea</u>	
11.	11:00am	<p><u>Achieving change and confirming allocation direction (continued)</u></p> <p>This session was begun by the small groups reporting back.</p> <p>Group 1:</p> <ul style="list-style-type: none"> • Need to benchmark and work towards GMP • Drive good behaviour through sector engagement and letting knowing people what is happening. • Don't let people do nothing for next 10yrs. • Put a lot of weight on farm planner. • Everybody should be within 10% of what best practice might be. • Hard numbers help to drive change. Most of world has to live with hard numbers. • Signals sent by plan change requirements. • Innovation has to occur in farming sector same as other sectors. <p>Group 2:</p> <ul style="list-style-type: none"> • Thinking firm number but then thinking benchmarking • Benchmarking within 4 years followed with reduction targets. • On farm target set within 5 years that is based on %age reduction. • Everyone does GMP • People who are still too high need clear signals to say they are too high. • If below 75%ile GMP is all need to do right now. <p>Group 3:</p> <ul style="list-style-type: none"> • Targeting on top 25% of emitters • Talked a lot about concern over the data .Some things aren't adding up. More discussion on that at next CSG. • Take a broader approach and go from there. If not in top quartile, based around land suitability and end point of allocation. • Start planning towards end point. <p>Group 4:</p> <ul style="list-style-type: none"> • Looked at what trying to achieve • Give signal and guidance to farm planner and farmer • Link back to sub-catchment targets, define the quantum and %age change on land. 	

		<ul style="list-style-type: none"> • In N triage back to 75%ile and set a target or reductions percentage. • Got to have something that is concrete, i.e. if we do these mitigations we should achieve what we want to achieve. • Work on a sub-catchment scale to figure out %age reduction in that sub-catchment. • Land use change triggers another process. • %age improvement per property, bigger reductions out of poorer performers but overall achieves total reductions required. <p>It would not be uncommon to put the reduction required in each sub-catchment in a plan change.</p> <p>Could put a table in the plan change of expected catchment or sub-catchment %age reductions for all contaminants.</p> <p>Get it in the policy and get sub-catchment goals. Everyone in sub-catchment works together for that goal.</p> <p>This sounds great but people will dig their feet in when they go down the consenting line. People will need to buy in.</p> <p>Group 5:</p> <ul style="list-style-type: none"> • Need an idea of expected sub-catchment loads • Looking at benchmarking and working towards a property level limit. • Accommodates the early and late adoption. They are putting off the inevitable for when property level limit comes in. • Highlight that there will be limits in the 2nd plan change • If you leave it then will be a big hit at end of the period. • Helpful thing to set targets in policy • Point sources dealing with their situation will be working through their consents, reaching longer term targets • Forestry that has its own rules would operate under their own rules. • Working towards targets but don't have property level N limits in first period. • Problem talked about was what do we do about prior improvements before benchmarking. • Issue of wherever you set that first benchmark people who have done nothing and people who have already done great stuff already. Don't want to penalise those people for being good. • Need that understanding and capturing that in a plan change is more difficult than saying it. <p>Alan Campbell – As you analyse the risks on farm, there are some mitigations that are hard to do and some people will still do them. However there is a tipping point beyond which they won't go and will only do it if they are told that they have to and that it is a level playing field (everybody must do it). Guidance</p>	
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	<p>can be applied in terms of a matrix. The worst quartile has to make a reduction of a certain amount and then others follow. Clarity of targets for farmers and planners would take away a big block.</p> <p>Prioritising catchments on heat maps is a really good idea. It doesn't mean you wouldn't get round everyone eventually.</p> <p>Q – Shouldn't we set a date we are expecting to see hard numbers? A – Reflecting where CSG got to, need to go through benchmarking phase before we have the confidence for setting limits.</p> <p>We are saying we will set hard numbers at some point.</p> <p>Could look at %age reduction tied to quartile where top quartile does the most, bottom does little or nothing. If in top quartile you have to come down to 75%ile level. But below that if in third quartile have to come down by x%, come down by less and less. Sliding scale</p> <p>Q – When the heat maps were created it provided a number. Created a number for 1 person in small catchments. Loading provided. How do we use maps and things to help out? A – Firstly trying to achieve things in the water is the main purpose. Achieving attribute limits in the water. Want a number and a % reduction at a property level. First assume that Overseer number has a huge error. Secondly what you are inferring is that there is an equality between an Overseer number between one place and another. What is not being taken into account is the existing attenuation post-root zone and not taking into account opportunity for mitigations that are post-root zone. Some of the mitigations that have been run in the model include those, and those mitigations can be very significant and very important. Get to Overseer number trying to target you need to do things on farm and paddock that could cost lots. Alternatively from a stream point of view you could get that from a post-root zone mitigation and still have economic activity on land. Perverse incentives to not do some of the things need to do more.</p> <p>4 contaminants treated equally. Overseer used as part of a risk based assessment.</p> <p>We need to identify where post-root zone opportunities should occur, where they should be. We need to use all the tools and have a mix in the right places.</p> <p>Go for the low hanging fruit and the costs hitting industry and targets are lower. Any reductions from the bottom quartiles are high cost for little reduction.</p> <p>SMPs - Done 700 plans and got change in 3 years. On</p>	
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	<p>voluntary plans done that in 3 years. But didn't do hard stuff and was lots of money. Know that getting people to GMP causes about 7-10% reduction in N loss. Top quartile coming down in some catchments could make huge gains.</p> <p>Could TLG tell us where are the high risk zones and what would you do in those catchments? Some of those things like a wetland, is that part of a farm plan? If part of farm yes, part of your farm plan. I would like to keep farming the way I'm farming I will mitigate my effect on the river by doing that.</p> <p>Need to do both, both on farm and need to do catchment scale stuff. 1 wetland might service 10 properties. Might become part of sub-catchment plan.</p> <p>Bring top quartile down to 75%. Same time start catchment planning which identifies catchment scale mitigation options.</p> <p>Create right behaviours, part of allocation considerations.</p> <p>Work in sub-catchment, logistics involved in that. 7000 commercial farms. Ideal is to work as a sub-catchment but may have to work at an FMU level.</p> <p>Top quartile in a small sub-catchment will be skewed. In terms of quartiles have to be at an FMU scale. Full catchment - the disparity becomes too big.</p> <p>Equity between sectors issue. If wait for everyone to benchmark then that delays action.</p> <p>As long as sufficient farmers benchmarked within FMU can move. Are we talking percentile of sector? Look in FMU and sectors and within that. Quartiles have to work within sectors. If you took an FMU as a whole, first sector to get hit would be horticulture.</p> <p>Sheep and beef have a lot to do to get benchmarked.</p> <p>From a water quality perspective doesn't matter what sector.</p> <p>Looking across all 4 contaminants will be picked up through risk analysis. Catchment planners.</p> <p>Sectors within sectors. Top quartile of dry stock farmers will be bull beef. If they all have to come down to the 75% it would wipe out bull beef. Need to figure out best way to identify top quartile within a given sector</p> <p>Comfortable with Sheep and Beef only get to benchmark in first 10 yrs; will not be focused on N reductions in this period. That sector will have a lot of work to do on stock exclusion and farm plans in the first Plan change period.</p>	
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		General concept is that we want dairy people to focus on 25%ile coming down in this plan change and hort people too. But comfortable with sheep and beef benchmarking and everyone moving towards GMP.	
	12:30pm	<p><u>Lakes</u></p> <p>CSG delegate for Environment NGOs sector David Campbell gave the group a presentation 'Should the significant values of the Whangamarino Wetland be protected by establishing a 'wetland FMU'? (DM#3688996) (DM#3693180), this included the significant values of wetlands and differences between the different types and maps.</p> <p><u>Summary of CSG discussion on Whangamarino wetland</u></p> <ul style="list-style-type: none"> - The CSG facilitator asked whether this needed to be technically reviewed by the TLG? The Chair of the TLG agreed that this may be useful. The CSG group also agreed this would be helpful. - If we clean up Whangamarino would we then move onto Lake Waikare and should it have its own FMU? And would having it as a separate FMU achieve anything from a policy viewpoint? - Need recognition of the fact that Whangamarino is a world class wetland and that the improvements are well worth the work. - The CSG would appreciate some input on this from WRC staff and iwi. - Should this be taken to sectors to get feedback from them on this? - Should the fact this is a very sensitive area elevate it above other issues/areas? - Wetlands maybe have not got as much attention as they warrant up to this point, this is good to raise the profile of the issues surrounding them. - Should this be separate as well as being acknowledged within the overall policy? - Should this and lakes generally have a different timeframe? - Do we need a different set of tools for lakes than we do for rivers? - Would drains be covered within the lake management plans? - Do lakes need to be treated on a case-by-case basis? - Would the location of the lake be a crucial factor in how much work it needs? - CSG requested more information on lakes as some feel it has not been discussed in enough detail yet. 	
	1:10pm	<u>Lunch</u>	

13.	1:50pm	<p><u>Approvals and update session</u></p> <p>CSG21 workshop notes (DM#3666721) were approved with the following alterations:</p> <ul style="list-style-type: none"> - 'Recommendation' will be change to 'Resolution' where appropriate - On p77 in the 'Point Sources' section, 'Consideration of GMP' should read 'Consideration of BMP'. - <p>Stephen Colson/Rick Pridmore Carried</p> <p>The CSG received feedback from the Industry, Energy, Local Government and Water Take Sectors on Point Source Discharge from CSG members Ruth Barlett, Stephen Colson and CSG delegate Tim Harty. (DM#3681892)</p> <p><u>Summary of CSG discussion on sector feedback.</u></p> <ul style="list-style-type: none"> - Concerns over some of the feedback and that it may not be consistent with the CSG's thinking as a whole. - Concerns that 'dairy' encompasses more than just 'dairy farmers'. CSG Ruth Bartlett informed the group that Fonterra had been at the sector meeting and had raised no concerns. - Is there a legal definition of what constitutes BPO? - Massive variables within the dairy industry that will have an effect on levels of discharge. - The sectors involved in the meeting seem happy with going further than just what will be consented. - CSG delegate Dave Campbell informed the group of a workshop on constructed wetlands being held on the 17th February, details sent to all members (DM#3693224) <p>The chair of the TLG updated the CSG on the current reports on model structure, framework and cost. There are two reports and their release process is currently being progressed through final peer reviews.</p>	
14.	2:40pm	<p><u>What will we ask sectors</u></p> <p>This session was to clarify what the CSG want to share with their sectors.</p> <p>This started with discussing the flow chart and talking through the different bubbles within it.</p> <p>Additions included:</p> <ul style="list-style-type: none"> • Adding in 2025 as date for stock exclusion • Adding in red for cropping and hort change from dairy 	

		<ul style="list-style-type: none"> • Add in something about point sources, such as when they are renewed there will be improvements, BPO and possibility of offsets. <p>This is to be developed into a handout that CSG members can use and give to people in their sectors.</p> <p>We will signal that providing scope for development of Maori ancestral lands is under active consideration.</p> <p>Definition of cropping and horticulture. A whole lot of defining needs to happen. Arable cropping vs intensive horticulture etc</p> <p>It was agreed to change the property plan flow chart around so that it flowed better, with low-intensity farms to be the first test.</p> <p>Note that sheep and beef will just be benchmarking in next 10 years.</p> <p>Everyone will have to benchmark and Dairy and Hort bringing top 25% down and everyone else will be doing GMP for their N. Mitigations for other contaminants will be in their property plans.</p> <p>Allocation approach principles. Likely to be what ultimate allocation approach will look like. Bullet points as recorded in that session (see Achieving change above) – communications material will be produced based on this.</p> <p>Question as to whether this is clearly signalling the allocation will not be based on grandparenting. It says that land unsuitable to its current use will have to change. Allocation system will incentivise to best use. Suited to land and water suitability. Reflecting a range of contaminants. Does that mean that allocation is decoupled from existing use? Yes unless existing use is in the right place.</p> <p>Minimising social disruption in transition.</p> <p>People might have a fixed idea of natural capital (e.g. LUC). They need to be clear it will be something based on natural suitability which is a combination of land and water.</p> <p>No idea what 5 and 10 years away technology is out there. Going down this path but don't want to constrain ourselves.</p> <p>The plan for confirming the information to go out to sectors was that Jackie F would send it out for comments and then Helen and Bill would make the final call. It would go out to CSG for comment Wednesday, feedback received Thursday and then available for HRWO committee and sectors on the Friday.</p> <p>We can't do maps at this stage but we can talk about catchments as high risk and low risk.</p> <p>What are we going to ask people? All ask the same questions?</p>	
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15.	3:40pm	<p><u>Focus on next CSG – Wrap up</u></p> <p>The CSG facilitator went through what needed to be done before and what needed to be included within the next CSG workshop.</p> <p>To do list – Feb CSG (note we also have the 26th Feb Focus day and some items can be done on that day)</p> <ul style="list-style-type: none"> - What sectors said on policy package and adjustment to it. - Understand the sub-catchment & data concentrations, reductions required (Revisit/set bands for each FMU?) - Lakes and lake attributes and lake policy approach - ICM, drainage, wetlands - Prioritising risk - Dams - Options for Māori land flexibility/creating headroom. - WRC freshwater strategy - Non regulatory & cost sharing options - Defining GMP - Scion report - Benchmarking - Point sources. <p>To do list (between CSG meetings)</p> <ul style="list-style-type: none"> - Māori land and options for wording in the plan change – working group with river iwi. - Property plan subgroup/overseer sub-group combine to work on defining GMP and guidance for property planners - Further session with TLG on defining risk/creating risk profile for 4 contaminants with heat maps, sub-catchment load targets & point source situation. - TLG, any thoughts on FMU to draw attention to Whangamarino - Working group on what else to do on lakes? <p>The CSG asked if there were any further points that needed to be considered. Suggestions were;</p> <ul style="list-style-type: none"> - Creating headroom and benchmarking - Creating headroom as part of Māori land. - Further discussions on Point Sources - Consideration of small blocks <p>It was decided that as all the issues raised could not be</p>	

		<p>included that the most important or pressing would be decided upon by the CSG facilitator.</p> <p>It was confirmed that the 26th February 2016 would be used as an additional workshop day for the CSG.</p> <p>The Project Sponsor invited all CSG members to a lunch being held on the day of the joint workshop on the 22nd March. The latest Project Sponsor update would be sent out to all CSG members next week.</p>	
	4pm	Chair closing comments Karakia	

Approved