

Report to the Collaborative Stakeholder Group – for Agreement and Approval

File No: 23 10 02
Date: 30 September 2015
To: Collaborative Stakeholder Group
From: Chairperson – Bill Wasley
Subject: **Decisions and pathways for CSG’s recommendations on the Plan Change to help achieve the Vision and Strategy**
Section: **Agreement and Approval**

Disclaimer

This report has been prepared by Waikato Regional Council policy advisors for the use of Collaborative Stakeholder Group Healthy Rivers: Wai Ora Project as a reference document and as such does not constitute Council’s policy.

1 Purpose

The purpose of this report is to provide material to assist discussion amongst the Collaborative Stakeholder Group (CSG), of its strategic direction with the plan change in 2016 and what pathways are possible in achieving the Vision and Strategy.

Recommendations:

1. That the report [Decisions and pathways for CSG’s recommendations on the Plan Change to help achieve the Vision and Strategy] (Doc #3538439 dated 30 September 2015) be received, and
2. That the CSG use the material contained in the report as a basis for discussing:
 - a. How they will frame the policy option discussions during the community consultation from October 27th to mid November 2015.
 - b. Whether the report covers the key policy and project questions the CSG needs to address.
 - c. Whether the current timeline can accommodate what the CSG needs to get through (the 28 May 2015 project timeline has ‘Recommend policy mix after CSG 23/24 November and recommend section 32 and proposed plan change for notification after CSG 4/5 April 2016’).

2 Getting ready to make decisions about limits, targets, methods

The CSG has got to the point where it has enough information to start making some decisions about what needs to change in the water and on the land.

The focus of the last few months has been on identifying possible future states and using biophysical and economic modelling to find out implications for different people and sectors in the catchment. Flow on regional and national costs, employment and social and cultural impacts have also been part of the critical information needs.

A suite of policy options has been identified and discussed, starting June 2nd - 3rd 2015. Detail about mitigations and land use change required has only recently been brought in from the technical work.

Between meetings, some CSG members have volunteered to work with WRC and other agency staff on implementation practicalities. CSG hasn't been able to firm up which policy options or how far they go, because the size of the problem wasn't known.

Points policy staff heard at the last two or three CSG meetings

- River iwi have said that achieving the Vision and Strategy is a generational change, and that both long term goals and steps along the way should be reflected in the Plan Change document.
- Current technical information¹ tells us that to get to the Vision and Strategy, we used all the mitigations in the model (actions on land to mitigate effects of diffuse contaminants), and even then, some of the water quality attributes couldn't be met in some parts of the River.
- We know that to get to Scenario 1, which is full achievement of the Vision and Strategy, major land use change is the most socially disruptive, even though this has a lower overall cost than trying to keep land use changes to historic patterns.
- The modelling information means that to make a start on achieving the Vision and Strategy, we need to require landholders to make changes (for instance, undertaking mitigation activities or changes in land use). The timing of these requirements (in one plan change, or in stages) and the rules we use are not yet decided.

Questions coming up when investigating policy options

The nutrient limit and Overseer sub-group work that was reported back to CSG on 21st September 2015² identified some big questions related to nutrient limits that the CSG will need to resolve. These included questions around:

1. Amount of nutrient reduction needed on the land to achieve water outcomes, what the timing should be, and how this is staged over more than one regional plan.
2. Fairness in the effort made by individuals and sectors to achieve outcomes. These aspects need to be resolved regardless of whether the CSG:
 - chooses to use Overseer as part of a property plan approach, or
 - uses Overseer to set and implement a numerical limit. If this is chosen, then the debate that has occurred in Taupo and other regional plan processes is around allocating an initial number of units of nitrogen or phosphorus at a property level.

River iwi letter about timeline

¹ The first modelling runs from the Technical Leaders Group were discussed at CSG 16a on 8th September, and some early results of the second runs were shared at CSG 16b on 21 September.

² Report to CSG from policy workstream. Options for using Overseer model to manage nitrogen and phosphorus at a property-level. Document #3507568 dated 17 September 2015.

Having time to make robust and considered decisions was the subject of a letter from river iwi that was sent to CSG 16b on 21st September. At the meeting, HRWO co-chair Kataraina Hodge talked the CSG through the letter, but didn't make any suggestions for what a changed timeline should look like.

2.1 Developing the policy mix

While we are clear about where we are headed, the modelling shows us that detail of the pathway to major water quality improvement relies on mitigations, changes in land use and some innovations that are not fully known. We assume as these new innovations are developed that these can be incorporated into later Regional Plans.

Even so, in order to write a 'first step' plan change, we still need to have a good idea of what the next step will be.

The 28 May 2015 project timeline has two main CSG outputs that are delivered to the Healthy Rivers Wai Ora Committee. These are: 'Recommend policy mix' and recommend section 32 and proposed plan change for notification.'

See Attachment 1 for a decision tree that sets out two possible pathways to achieve the Vision and Strategy, using different answers to the key policy questions.

See Attachment 2 for the existing project timeline.

In the numbered decisions below, key project and policy questions are lined up with existing CSG meeting dates. We have made some optimistic judgements about what is possible to get through in any one CSG meeting.

At October 1st-2nd CSG

1. Decide water quality targets for the rivers in the long term to consult on with the community.
2. Discuss how far we could go in 2016 Plan change³ ('first stage' river targets and where should these be set) for
 - Maintain water quality **or**
 - Water quality improvement.
3. Decide the total amount of each contaminant that needs to be reduced on the land.
4. First go at spatial distribution of each contaminant.

³ Note all policy decisions at all stages need to bear in mind the requirements of the Section 32 to choose options to achieve sustainable management, that the policies and methods chosen are most appropriate to achieve the objectives, that we have considered the cost and benefits of policy options and the efficiency and effectiveness of the possible policy options.

Assumption: If full achievement of the Vision and Strategy is generational change, we expect landholders to start making changes in the first plan change in 2016.

If so, how big is the first step in 2016? We need to test this with the community in October and November.

At October 13th-14th CSG

5. Decide whether we will consult on a property-level numerical limit for nutrients (An Overseer number).
6. Decide whether we consult on how to manage extra contaminant discharges to the water from intensifying land use (e.g. catchment-wide rule to prevent intensification).
7. Decide what water quality lakes targets we will consult on, for the long term and for the 2016 Plan change.
8. Decide on the approach to tailored property plans and what to consult on (industry-supported option and/or a WRC resource consent option).
9. Decide detail of catchment-wide rules to consult on (stock exclusion, riparian setbacks, sediment mitigation).

Healthy Rivers Wai Ora Committee 13th November

When consulting in Oct/November, we give landholders an outline of the policy options. We won't be able to give people much about '*what it means for me*'.

That's because there are big questions that take time to work through, around sharing costs of change (such as who should contribute what toward reducing contaminants, and how many complex and expensive changes will have to be done in a property plan and over what time frame)

At November 23rd-24th CSG

After considering the feedback from consultation:

10. Decide if we need to revisit water quality limits and targets.
11. Decide if we need to add or remove policy options.
12. Decide initial allocation:
 - a. How to distribute total contaminant load between sectors.

Healthy Rivers Wai Ora Committee 4th December

At December 9th-10th CSG

13. Decide detail around allocation:
 - a. whether Good Management Practice is a first requirement,
 - b. within-sector allocation (e.g. if I am a dairy farmer, do I have to reduce the same amount as my dairy farm neighbour).

- c. fairness and equity questions around aspirations of owners of undeveloped land, including iwi.

Other CSG dates

December 17th-18th CSG holding date.

An additional CSG meeting may be needed at the end of January 2016.

Healthy Rivers Wai Ora Committee dates still being set for 2016

Other collaborative processes have taken many meetings to decide initial allocation.

Equity between sectors and for individuals within sectors arises whether or not there is a numerical Overseer property limit.

In Rotorua Lakes and Selwyn Waihora Canterbury, sectors negotiated outside meetings and needed to check back with their people before being able to make a call.

At 18th-19th February CSG

14. Decide changes to policy options to reflect CSG decisions on equity and fairness.
15. Decide how existing funding could be used.
16. Decide implementation timing, resources and processes needed.

Assumption: That directly affected landowners/anyone who will have to make the most changes, will want to know how they are likely to be affected, before they see the formal proposed plan change with policies, rules.

If so, CSG could do another round of sector engagement with the rule framework containing results of where CSG and iwi partners got to with equity discussions

An additional CSG meeting may be needed at the end of March 2016.

At 4th-5th April CSG

17. Decide how long are we going to give landowners to make contaminant discharge reductions.
18. Decide overall recommendation to Healthy Rivers Wai Ora Committee:
 - a. Drafting instructions for the plan change
 - b. Recommendations about what else is needed, that is outside the plan change (processes to access funding, training and resources needed for implementing agencies).

2.2 Finalising the Plan Change

April 2016 is the last CSG meeting date according to the 28 May 2015 project timeline⁴. The CSGs job⁵ continues as the plan change and section 32 is drafted by WRC staff. The current project timeline has one CSG meeting while the plan is being drafted, to check and guide the plan writing progress.

Policy staff are experienced at writing plans, but CSG needs to maintain oversight. If more CSG meetings are needed, there are a couple of options:

1. CSG continues to meet as a whole group to get through the questions below.
2. CSG members volunteer to form a subgroup and report back to the whole CSG

Tasks and decisions required as plan change is drafted are:

19. Write the Section 32 analysis of alternatives and reasons for each policy provision⁶.

20. Decide final wording of objectives and policies and non regulatory methods.

Assuming the group decides on property plans and catchment wide rules

21. Decide and write up detail of individual rules:

- a. Should tailored property plans be phased in at different times in different areas
- b. Where costs lie for developing and auditing plans
- c. Should the most stringent new catchment-wide rules be phased in
- d. Confirm and write in methods, support to speed uptake of new rules or what other policy approaches might be needed
- e. Rules are reviewed (legal).

22. Decide detail of how all provisions fit together

- a. Overall implementation check with WRC and any other implementing agencies
- b. Check for inconsistencies with other documents (including definitions)
- c. Consequential changes to Regional Plan
- d. What will be part of the full Regional Plan review (underway in 2016).

23. Decide what agreements and processes need to be set up outside the plan change.

24. Decide overall form and content with partners.

3 Summary

Until the first results of modelling were discussed by the CSG in early September, we didn't have detail about what needs to change in the water and on the land, or the implications of changes. At CSG meetings, we have had discussions about what is important to people and touched on some of the big equity and fairness issues that will need to be resolved. But we

⁴ The 28 May 2015 project timeline has 'Recommend policy mix after CSG 23/24 November and recommend section 32 and proposed plan change for notification after CSG 4/5 April 2016.

⁵ The CSG terms of reference (updated 11 June 2014) in section 4.3 Outputs is "Ultimately, the CSG will submit recommendations for plan provisions to Council and Iwi, with a report explaining key points of consideration and rationale for decisions (document 2194147 page 13).

⁶ This document must be finished and notified with the plan change. In the past WRC section 32 documents run to about 200 pages of background, references, summaries of research undertaken, analysis of the preferred and discarded alternative rules and policies and the associated costs and benefits of each one.

are a long way from getting to the detail of what a Regional Plan needs to contain to achieve water quality outcomes.

This report takes what we have done so far, and sets out the key decisions remaining to be made by CSG, between now and notifying a plan change. Material in the report is intended to stimulate discussion amongst the CSG of its strategic direction with the plan change in 2016 and what pathways are possible in achieving the Vision and Strategy.

Justine Young

Policy development workstream
Waikato Regional Council

Bill Wasley

Independent Chairperson, Collaborative
Stakeholder Group

Attachment 1 – Key policy decisions needed: decision tree and one example pathway to achieve the Vision and Strategy (#3497410)

Attachment 2 – Existing Project timeline approved on 28 May 2015.

4 References

Collaborative Stakeholder Group process overview – milestones and focus for CSG12-22. Updated 25 September 2015. Document #3394155.

Collaborative Stakeholder Group Workshop 14 Notes. 10th and 11th August 2015, DM #3471459.

Facilitation session notes from CSG Workshop 13, 2 and 3rd July 2015 DM #3445619.

Waikato Regional Council 2014 Regional Council approaches to diffuse discharges and water quality– Report prepared for the Collaborative Stakeholder Groups workshop 5, dated 20th March 2014 DM #2325986.

Waikato Regional Council 2015. Exploring industry farm plans as a policy option; including industry-supported farm plan with regulatory backstop” DM# 3454905.

Waikato Regional Council 2015. Key policy decisions needed: decision tree and one example pathway to achieve the Vision and Strategy and policy workstream packages. September 2015. Document #3497410.

Waikato Regional Council 2015. Policy options for sediment, microbes, nitrogen and phosphorus. Agreement and Approval report dated 22 June 2015. DM #3425911.

Waikato Regional Council 2105. Policy option of a property-level limit for nitrogen and phosphorus. Agreement and Approval report to CSG Document #3476854 dated 24 August 2015.

Waikato Regional Council (Online Version). Waikato Regional Plan. <http://www.waikatoregion.govt.nz/Council/Policy-and-plans/Rules-and-regulation/Regional-Plan/Waikato-Regional-Plan/>

Pathways to Achieve the Vision and Strategy – What could CSG consult on in October/Nov 2015?

Pathway A

Outcome: Water quality improvement in 2016 plan change (stage 2 described above), after one community engagement period

Assumption: Require major landholder changes from 2016 onwards.

Pathway B

Maintain water quality in 2016 plan change (Stage 1 described above). Perhaps use the Regional Plan Review notification to add in new aspects to start WQ improvement

Assumption: Just holding the line is a first major step (this includes N reduction at root zone)

What this pathway might take to implement in 2016 (in addition to maintain WQ)

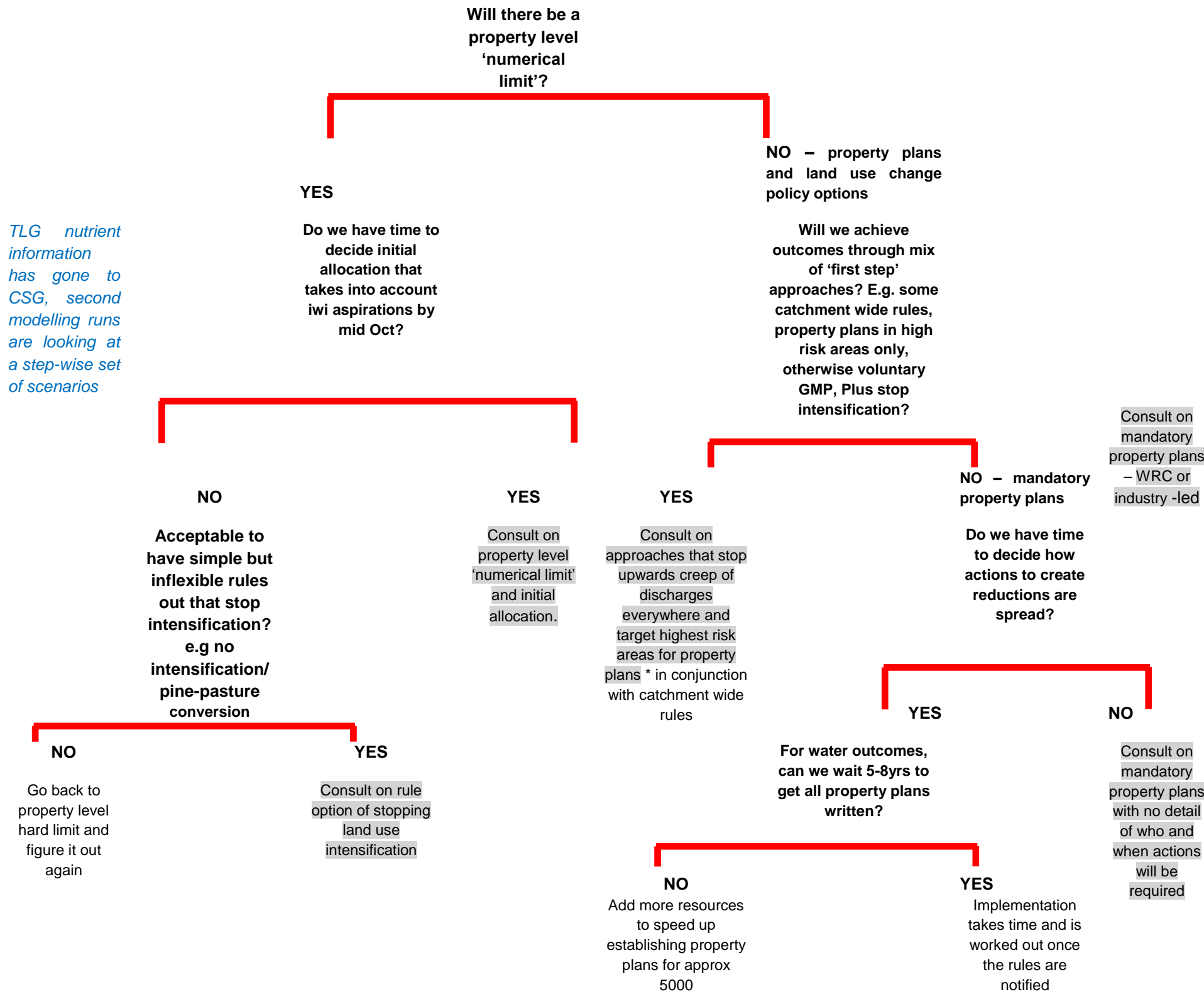
Would need to know how to write actions in a property plan that will achieve reductions

Do we know enough about chlorophyll and N and P? Do we know enough to try to make reductions needed on properties less onerous than first modelling is showing?

Need to know in landholder reaction to reductions required of them

To meet clarity in different places, how much N in water and how much N reduction needed?

Implementers cost and resources to roll out mandatory property plans for all landholders



Technical info needed **What this might take to implement in 2016**

How much N reduction is needed 'maintain WQ'?

Can we scale up existing initiatives? e.g. sust milk plans

TLG have a good idea of this for each River FMU

What options are likely to be the lower cost option to restrict and encourage land use change?

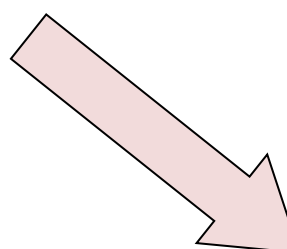
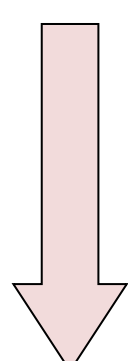
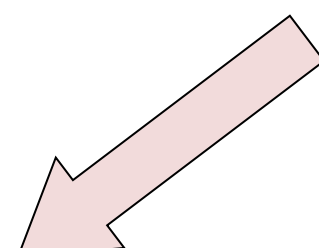
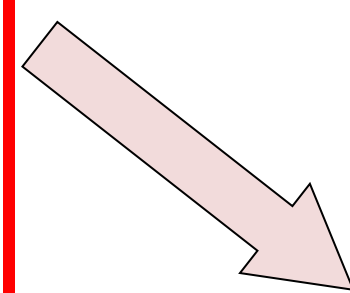
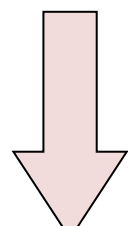
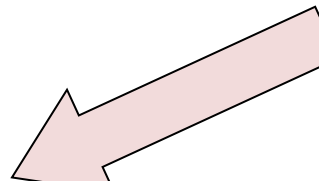
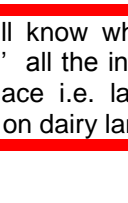
What actions/thresholds need to be in catchment wide rules and/or in property plans to achieve our outcome?

Could existing funding help support key mitigations uptake e.g. constructed wetlands that service multiple properties

New resources for rolling out property plans – both to develop the plan, and write clear actions

Initial ideas of how CSG could achieve Vision and Strategy in stages - from policy workstream

EXAMPLE
This diagram shows one combination of answers to the questions below

Stage	Outcome sought	What is known, or needs to be known to get to each stage?	How could we get there?	
			Sediment, E.coli, phosphorus	Nitrogen
		<p>Current info tells us that to get to V&S, major land use change and mitigations is needed - which is also the most disruptive</p> <p>We know we can model water-land-farm mitigations, to find the best (least expensive) way of achieving limits in different parts of the Rivers</p> <p>That both N and P are important to manage clarity (but not exactly how or where)</p> <p>We know the ballpark cost of resources and time to build capacity for landholders to make changes</p> <p>We know we are going out to the public with options – in 6 weeks time and we don't have time to figure out N limits and allocation prior to that</p>		
Stage 1	<p>No decrease in water quality</p> <p>'Hold the line' and not allow any overall increase in discharges of phosphorus, nitrogen, sediment, e.coli</p>	 	<p>Catchment-wide rules</p> <ul style="list-style-type: none"> Cattle/deer exclusion in most streams and around wetlands Setbacks around water to mitigate effects of grazing, cultivation, tracks Continue other existing earthworks rules <p>PLUS</p> <p>Tailored property plan</p> <ul style="list-style-type: none"> Industry or WRC supported most areas <p>PLUS</p> <p>Financial incentives to assist land use change e.g. increase uptake of afforestation and constructed wetlands</p>	<p>Catchment-wide rules to stop low leaching land going to high leaching</p> <ul style="list-style-type: none"> If > 10% change in last 12 months, require consent for non-complying activity <p>PLUS</p> <p>Catchment-wide options for stopping land use intensification</p> <ul style="list-style-type: none"> E.g. No plantation forestry conversion (that is not already in farm development phase)
		<p>WRA will have reviewed the V&S with us and put in place the broad actions and timetable</p> <p>We will know more about barriers and benefits of forestry in Waipa, what kinds of constructed wetlands work and where they are best suited - down to GIS map level</p> <p>We will know how lake restoration is going and what it takes</p> <p>We will know more about the biophysical system - where and what nitrogen and phosphorus mitigations will be cheapest, who contributes and interaction with the amount of water in the river/hydrolake</p> <p>We will have figured out what initial allocation allows for undeveloped land, and whether there is an iwi allocation for water takes</p>		
Stage 2	<p>Start to improve water quality by reducing all contaminants (different amounts in different lakes, parts of river)</p> <p>5 years later?</p> <p>Include nitrogen reductions to allow for nitrogen in transit</p>	 	<p>Catchment-wide rules as above</p> <p>PLUS</p> <ul style="list-style-type: none"> Reviewed water takes policy and rules <p>Tailored property plan is mandatory for defined areas</p> <ul style="list-style-type: none"> Specific actions and timeframes in each property plan that landholders are held to <p>PLUS</p> <p>Financial incentives to assist land use change</p>	<p>Cap and transfer for phosphorus and/or nitrogen and/or water takes and/or carbon</p> <ul style="list-style-type: none"> Set property-level limits for different parts of the River and allow transfers
		<p>We will know what it takes to make a major social change; 're-setting' all the incentives that got us to our current land use in the first place i.e. landholders have been making rational decisions based on dairy land price & no regulation on diffuse discharges</p>		
Stage 3	<p>Improve water quality to meet Vision and Strategy</p>			

Attachment 2 – Existing Project timeline approved on 28 May 2015.

