

Report to the Collaborative Stakeholder Group – for Agreement and Approval

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To: Collaborative Stakeholder Group
From: Emma Reed, Policy workstream
Subject: **Options for allocation principles**
Section **For Agreement and Approval**

Disclaimer

This report has been prepared by Waikato Regional Council staff 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 the Collaborative Stakeholder Group (CSG) with suggested edits to the allocation principles, to be included in Plan Change 1.

Recommendation:

1. That the report '**Options for allocation principles**' (Doc # 6176204 dated 23 May 2016) be received, and
2. That the Collaborative Stakeholder Group agree to:
 - a) The wording of the allocation principles as shown in Text box 2, and use this in the policy '*Preparing for allocation in the future*', in Plan Change 1.

2 Background

The CSG have been discussing allocation and the responsibility to achieve reductions since late 2015. The following bullet point list highlights some key aspects on the topic of allocation:

- Report and presentation from staff on options for initial allocation, at CSG14, 10-11 August 2015
- Discussion on responsibility for allocating responsibility at CSG18, 13-14 October 2015
- Discussion on responsibility for allocating responsibility at CSG19, 23-24 November 2015
- CSG member ideas and theoretical catchment activity, LAWF principles, and discussion to allocation later, at CSG20, 9-10 December 2015

- Discussion on responsibility for allocating responsibility at CSG21, 17-18 December 2015
- Natural capital panel and discussion, and developed allocation principles at CSG22, 28-29 January 2016
- Allocation principles part of sector engagement February 2016
- Allocation principles part of Policy Mix, to Healthy Rivers Wai Ora March 2016

3 Allocation principles

CSG received a draft plan change document at CSG27, 9 May 2016, which contained *Policy 7: Preparing for allocation in the future*. This policy includes the allocation principles as developed by CSG. Policy 7 is shown in Text box 1.

Text box 1: Policy 7 Preparing for allocation in the future - Plan Change 1 DRAFT dated 4 May

Policy 7: Preparing for allocation in the future

A precautionary approach is taken to manage discharges of nitrogen, phosphorus, sediment and E.coli by implementing the policies and methods in this chapter until further investigations have been undertaken to support any future allocation of contaminant discharges at a property level.

Any future allocation should consider the following principles:

- a) Intensive land use should occur on land best suited to this ('land suitability').*
- b) Land that is unsuited to intensive land use needs to change, with an acknowledgement that some land uses have high discharges but are small in total area and important to the regional community.*
- c) Some allowance to enable development of Māori land.*
- d) Minimise social disruption in transition and least cost overall.*
- e) Future allocation decisions should take advantage of new data and knowledge. To ensure this occurs, collect information and undertake research to support this, including information about spatial variability and the effect of contaminant discharges in different parts of the catchment that will assist in defining 'land suitability'.*

CSG members discussed these principles, particularly clause d), and developed six alternative options for the allocation principles. CSG members then indicated their preference, by ticking their selected options (they could select more than one option). The options and preferences were:

1. Leave as is	✓✓✓ (3 ticks)
2. Insert proportionality	✓✓✓✓ (4 ticks)
3. Delete least cost	✓✓✓✓✓✓✓✓✓ (9 ticks)
4. Insert "enabling the costs to be met by those contributing to water quality degradation, in proportion to their contribution" as a principle	✓✓✓✓✓✓ (6 ticks)
5. Insert "like land and water is treated the same" as a principle	✓✓✓✓✓✓ (6 ticks)

6. Insert “minimise disruption and costs in the transition” as a principle	✓✓✓✓✓✓✓ (7 ticks)
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(CSG27 workshop notes)

Also, the plan drafting sub-group considered the allocation principles as part of policy 7 at their meeting on 18 May 2016. The sub-group also suggested wording changes, based on the current approach CSG have to the allocation principles.

4 Staff suggested wording

Staff suggestion for the allocation principles is to selection option 3 and 6 above, and to include the Plan Drafting sub-group edits. The wording is shown in Text box 2, and also in the tracked changes version of the plan change document which is part of the 30-31 May CSG agenda packs.

Text box 2: Staff suggested wording for allocation principles – Plan Change 1 DRAFT XX May

<p>a) Intensive land use should occur on land best suited to this (¹‘Land suitability’, <u>which reflects the risk of contaminant loss from that land and land use, and the sensitivity of the receiving water body, including the gap between current water quality and that in Objective 1.</u></p> <p>b) Land that is unsuited to intensive land use needs to change, with An acknowledgement that some land uses have high discharges but are small in total area and important to the regional community.</p> <p>c) Some Allowance to enable <u>for flexibility of</u> development of Māori land.</p> <p>d) Minimise social disruption in transition and least cost overall <u>and costs in the transition to the ‘land suitability’ approach.</u></p> <p>e) Future allocation decisions should take advantage of new data and knowledge. To ensure this occurs, collect information and undertake research to support this, including information about spatial variability and the effect of contaminant discharges in different parts of the catchment that will assist in defining ‘land suitability’.¹</p>
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The reasons for suggesting options 3 and 6 are:

- CSG preferences of the options
- CSG policy selection criteria do not include the concept of “least cost”, but rather cost-effective solutions
- the CSG discussions on making it clear that this plan change is a transitional regime towards allocation which is based on the concept of ‘land suitability’

The reasons for suggesting to not include options 2, 4 and 5 are:

- Option 2 - this policy selection criteria is currently reflected in the CSG approach to nitrogen reduction (the 75th percentile concept) and the actions required through the farm planning process, and is not consistent with the CSG agreed future allocation. CSG have taken the approach that adding in too many conflicting criteria does not provide the community with assurance on what or how any future allocation regime would be developed, and so these edits have focused on the concept of land suitability.
- Option 4 - this sentence is already in *Policy 8: Sub-catchment and edge of field mitigation planning, co-ordination and funding*, and it is not necessary to repeat it.

¹ Plan drafting sub-group have suggested moving this text up to the beginning of the policy, so it is still covered but not in the principles themselves.

- Option 5 - this idea is inherent in the concept of land suitability, but staff have suggested moving the text from *Policy 16: Flexibility for development of land returned under Te Tiriti o Waitangi settlements and multiple owned Māori land* clause d) to better describe land suitability.

Emma Reed

Policy development workstream
Waikato Regional Council

References

Collaborative Stakeholder Group's policy selection criteria. Doc#3183705

Collaborative Stakeholder Group Discussions with sectors. February 2016. Powerpoint presentation. Doc# 3688341

CSG Workshop notes CSG14, 10-11 August 2015. Doc#3471459

CSG Workshop notes CSG18, 13-14 October 2015. Doc#3577749

CSG Workshop notes CSG19, 23-24 November 2015. Doc#3629626

CSG Workshop notes CSG20, 9-10 December 2015. Doc#3638362

CSG Workshop notes CSG21, 17-18 December 2015. Doc#3652426

CSG workshop notes. CSG22, 28-29 January 2016. Day 2 – Achieving change and confirming allocation principles. Doc# 3689206

CSG workshop notes. CSG27, 9 May 2016. Doc#6285783

Plan drafting sub-group meeting notes 2016. Draft. 18 May 2016. Doc#6240461

Summary - Allocation ideas – working list from CSG14. Prepared by Helen Ritchie, CSG facilitator. Tabled at CSG18, 13-14 October 2015. Doc# 3611964

Waikato Regional Council 2015. Allocation and cost sharing. Powerpoint presentation to CSG14. Doc#3466069

Waikato Regional Council 2015. Report to CSG: Initial allocation options to permit discharges of contaminants at a property level and the sharing of costs. Agreement and approval report dated 27 July 2015. Doc#3109567

Waikato Regional Council 2016. Restoring and protecting our water: Te whakapaipai me te tiaki i ō tātou wai. Overview of Collaborative Stakeholder Group's Recommendations for Waikato Regional Plan Change No. 1 – Waikato and Waipa River catchments. March 2016. Doc#3351821

Waikato Regional Council 2016. Waikato Regional Plan Change No. 1 – Waikato and Waipa River Catchments (Proposed) DRAFT 4 May 2016. Doc#4091077