

Meeting Thirty-Two Record

When: Thursday, 7 September 2017, 9:00am – 4:30pm

Where: Te Taiwhenua o Heretaunga Orchard Road Hastings

- Note: this meeting record is not minutes per se. It is not intended to capture everything that was said; rather it is a summary of the proceedings with key comments noted. *Text in italics indicates a response from HBRC to questions posed during the meeting.*
- *Where additional information has become available subsequent to the meeting (such as answers to questions unable to be answered in the meeting), this is included in red italics*

Meeting Objectives

- Decide on the sediment management framework from Farmer Reference Group and next steps
- Dedicate plenary time for TANK Group members to discuss topics of their choice.

AGENDA ITEMS

1. Welcome and karakia

Robyn Wynne-Lewis asked Jerf van Beek to open the meeting with a Karakia.

2. Agenda, early discussion and introductions

- Housekeeping matters covered.
- Apologies were confirmed (see attendance table above).
- The meeting agenda and objectives were outlined.
- Ground rules for observers confirmed.
- Engagement etiquette was covered.
- Open floor for TANK members for notices and announcements.

3. Item # 1: Notices

Desiree proposed an extra meeting on 10 October 2017 to cover nutrients and the attributes state table. It was agreed to start at 9.30am and finish by 4.00pm. This means two meetings one week apart. The focus of the 18 October meeting will be setting the flows for the Ngaruroro and Tutaekuri Rivers. A member noted that information on simulated flows and their impact on native fish, braided rivers and birds is needed to inform the decision-making (ideally before the meeting).

Action Item

32.1 Check with Thomas Wilding on what information there is on flows and native fish/birds.

Robyn asked for topics for the afternoon plenary session. The following topics were suggested by TANK members:

1. Consensus voting @ TANK – i.e. is proxy voting allowed?
2. Ecological Economist
3. Retaining water in landscape
4. Stormwater progress
5. Drinking water source protection

4. Item # 2 – Meeting Record 31 and Action points

Desiree spoke to the Action items, listed on the PPT presentation. A member raised an issue with how Item #7 HBRC media release on “Heretaunga Aquifer at its Limit” – was captured in the meeting record. Wording changes

were suggested over lunch to address the member's concern and subsequently reported back to the Group. The Group was happy with the amendment and the meeting record was agreed as accurate with the alterations as listed below.

11. Item # 8 - HBRC media release on "Heretaunga Aquifer at its limit"

James Palmer outlined what he intended to say in a media release about the decision to halt consenting groundwater takes, that he foreshadowed earlier (see p6 of the meeting record). The proposed content was 100% supported by TANK members via a show of hands. Key messages noted by members included the mismatch between usage and allocation, the definition of existing use, potential efficiencies, and to prevent any kind of gold rush on the resource. It was also noted that we do not want to encourage a gold rush of water storage consent applications.

[Post meeting update: link to the media release <http://www.hbrc.govt.nz/our-council/news/latest-news/media-releases/article/337>] Important point from the media release:

"Hawke's Bay Regional Council Chairman Rex Graham says the latest advice shows the current annual volume of groundwater taken is considered to be at its maximum acceptable level and allocating further water appears to be no longer acceptable.

He says there is currently significantly more water allocated through existing resource consents than is typically used and so constraining water takes to their current actual level of use will likely lead to a reduction in volumes consented to existing consent holders".

5. Item #3 – Farm Systems and Environmental Performance - Xan Harding

Mary-Anne explained the context for the presentation by Xan which was an action point from Meeting 24 "to investigate inserting biological farming [and ecological economic expertise] in the Economics Assessment Working Group". The EAWG subsequently agreed the action point to "work with industry leaders across a range of farm systems to describe/list common principles and good management practices that will assist in avoiding, remedying or mitigating adverse effects on land and water resources".

The pre-circulated paper from the EAWG had the following recommendations:

1. Targeted use of resources – focus on key actions for best effectiveness
2. Soil health monitoring essential component
3. Industry involvement in understanding good management practice and ensuring adoption of it
 - Including development of 'bottom line' performance standards
4. Keeping up to date with new science, guidelines and research

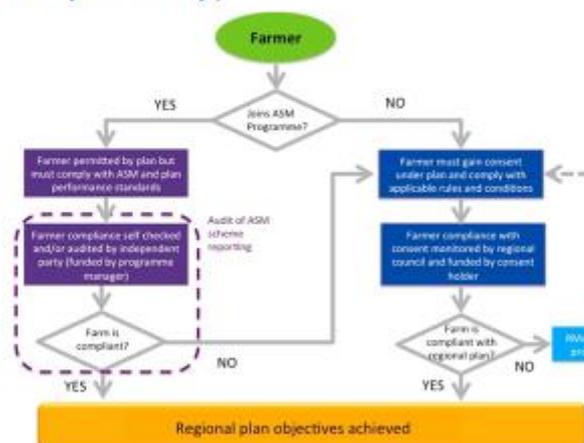
Xan Harding then gave a presentation entitled "Managing Soils and Diffuse Agricultural Pollution" which explored the scope for Good Management Practice (GMP) and Audited Self-Management (ASM) to improve on-farm soil quality/retention and thereby improve beyond-boundary effects predominantly water quality. He noted that there may be potentially additional benefits to be had from changing farm practices (organics, biodynamics etc.) but should be science and market-led and there is a convergence going on anyway and all systems have pluses and minuses. He explained GMP and ASM and how it could work in a TANK context.

Planning and GMP/ASM

- ASM encourages problem ownership and going beyond compliance.
- It allows the regulator to be more efficient, by focussing on how the scheme operates, is audited and how non-compliance is resolved, minimising the need for ongoing dialogue with individual farmers.



Relationship of ASM to plan rules (example only)



Matters raised by TANK members:

There was some discussion on whether it was within scope or TANK's jurisdiction to dictate farm systems. One member noted that the TANK plan change should support farming practices that do more than the minimum in relation to maintaining water in soil. It was also noted that we can be aspirational in our objectives towards sustainability.

The issue of agrichemicals and the precautionary approach was raised. In Xan's presentation he made the point that for completeness of addressing diffuse effects, agrichemicals are a factor to consider and the precautionary principle needs to apply, particularly in relation to the unconfined aquifer and that the RRMP already addressed that with targeted measures. Another member felt that traditionally when it has come to chemicals we have expected the manufacturer of the chemicals to adopt a precautionary approach, and scientifically prove benign effects, and that hasn't worked so how do we pay particular attention to precautionary principle and the

application of chemicals that have been produced by somebody else that have different measurement standards? *This issue is governed by the EPA and the way that they regulate chemicals including what can be brought into the country and what can be applied.*

Also there is a worry around contaminated sites on farms containing DDT and these contaminants leaching into waterways. A by-line needs to be made somewhere showing that these sites exist.

Comment was made that new information presented by Sandy H to the Economics Assessment Working Group, on soluble P entering field tiles is important. *In the context of pastoral farming it is not quite such an issue. But in the lowland drain/Karamu context that soluble P is very important.*

The key with GMP is education, you can put a plan in front of anybody but unless they are willing to do it, it won't be effective.

Are the younger ones more keen to do GMP? No it is more sector specific. Wine sector very good, Sheep and Beef not so much.

How demanding are these programmes? Bar is set at good performance not best. The programmes are living and fluid and evolving all the time and as new technology comes along the bar is raised. Pipfruit industry have to be GAP registered to get into supermarkets. The bar much higher than you'd think. The challenge is to pitch these management practices at the right level to make them achievable for all. If the standard is too high people cannot afford it you will drive them out of business. The easier that something is to achieve the more likely that it will be embraced by the people you need to. The more difficult that it is the less likelihood of it being embraced. We are on a journey with management practices, they have continued to ramp up. The Pipfruit Production Programme which is now a world leader, with minimal agrichemical applications, started off with a very small group of early adopters and once they were leaders and after some field days and showed the results, the next year you got the next level in and within three or four years the entire industry was under IMP. They could see that it was good for the environment. Plus ENZA wouldn't take their fruit if they were not part of it.

If you want to achieve better water quality will this new practice do that? What has been happening in the past has not been good enough. Good management practice has happened with Grape growing and kiwifruit being the second. Other areas not so good. We do need step change. It needs a cultural change.

What is the incentive to get the farmers on board?

From Dr Barry Lynch. There is a new model coming out as an extension of Sednet that can be applied at a property scale. It is of interest and will be looked at further.

MORNING TEA

You didn't touch on the fact that farmers have a lot of other constraints. Lot of things impact on farmer's decisions. How do you encompass those constraints? Ask the farmers and offer choice that incentivises desired outcomes.

What is the role of the regulator? We hear growers say leave us alone we will sort this out ourselves. There are things that have to be incorporated into GMP and GAP programmes to achieve specified outcomes or performances.

Who is setting the goalposts? (It needs to be) in consultation but it is the job of the regulator to ask what is the goal here.

What are the public expectations? That is something for the political system (and this plan through TANK and submissions processes) to decide.

How do you ensure that there is an equal effort being made? *The model that is going to be suggested shortly is actually that, if you don't do this, the compliance effort will be arguably less pleasant.*

It was pointed out that it is not the Regional Council accepting performance standards or rules developed by an industry body or a group of irrigators, it's about Council having to make an assessment in relation to the plan requirements that the GMP applied at a sub-catchment level is something its happy with. The Regional Council would get feedback from an external auditor about how those people are going, as opposed to having to send out its own officers or receiving reports individually from those.

The challenge for all of us here is to maximise the uptake of best practice to improve the environment as fast as we can and it's the challenge Council has got in every catchment. It is not different from Plan Change 6 and in 20 catchments. It always comes down to carrot and stick and how much carrot and how much stick you need.

6. Item # 4 – Sediment Management – Peter Kay (HDC Rural Community Board/Sheep & Beef Sector)

Peter Kay set the context for the presentation and the recommendations made by the Farmer Reference Group in the pre-circulated strawman proposal. He explained a little of the history of the Farmer Reference Group. There has been a noticeable change in attitudes and good progress has been made in the last couple of meetings. Sheep and Beef farmers are not industry lead. He was concerned about the perception of Sheep and Beef farmers by the general public.

Water quality in the main stem is still in the very good bracket in Ngaruroro. We do not have a nitrogen problem in the main stems of rivers, but do have a phosphate problem. Particularly in hotspots but will be dealt with on a catchment basis.

Looking to provide encouragement for landowners to form catchment groups and do a self-audit. HBRC will do audits as well. The farmer group feels that this is more than just sediment, now talking about wanting to take control of water quality. He reported the need for farmers to be able to monitor water quality, they are frustrated by the lack of good tools. The focus of the farmer reference group has been the N & P as well as sediment that affects the water quality. A catchment group has formed already. Water is being tested.

Peter reported that the farmers hope to invite the TANK group to have a field day and see the catchment. All the gorges are fenced off for dual purpose stop losing cattle and to protect water quality. Big chunks of land are already fenced. He gave the example of Kereru Station that has 27% fenced off with other farms as much as 16%.

Peter thanked those who have come along to the Reference group meetings, especially Te Kaha, who spoke on the Iwi River Management Plan for the Tutaekuri noting there was quite a shift in attitude by everybody in the room after he had that discussion with the group.

Peter noted that the farmers had not been talking any details (numbers, limits, timeframes) yet, as they want to get buy-in to the management framework first. The main message was these guys are looking at water quality as a whole not just sediment. But they have no control over the effects of modified river courses. He pointed out this conversation with farmers would have progressed faster (and been 'well down the road') if they had started this earlier. He finished by saying that the general health and well-being of the waterways was a concern and important to farmers.

Matters raised by TANK members:

Is everyone comfortable with statements like “farmers taking control of the waterways”? *No because we wouldn't be here if everything was fine. And the reason we have been here for the last five years is because things are not fine. They have had control for 150 years and look where we are.*

Farmers don't dispute that, but HBRC is the overriding body who will be in control of all this.

There are two sides to the coin here, the back stop default position and the other is if you want to get organised and do thing collectively this is a way you can do that. When you talk about farmers I am hearing you talk about farmers acting independently – but are you are talking about communities? *Not farmers only but about communities.*

A big difference between a Farm Management Plan on a collective basis or on an individual basis.

Farm Management will be done on an individual basis. The collective is educating and encouraging. All businesses will do environmental plans.

What the main effect of the collective is? *A better buy in and support from the collective.*

Farmers want to take responsibility and want to minimise the effect on their patch. 6 or 10 farms all feeding into a hotspot how do you manage that? *Dealing with a small area. It is much easier to find the culprit in a small area. Initial monitoring under ASM, Regional Council wouldn't monitor or audit every catchment every year. One catchment this year and somewhere else next year.*

If you want to foster sustainable behaviour it is best done in the community. *It is proven that to be part of programme there is a benefit.*

Some people will not belong to a collective until they are forced to. *There are benefits to belonging i.e. Regional Council subsidised poplar poles but only if you are a member of a catchment group you could get the subsidised poles. Often membership is market driven.*

The example of Te Kaha and his group is excellent and an example of the quadruple bottom line.

Technology is developing all the time. *A new water monitoring tool, apparently a lot cheaper is of real interest. As well as planting poplars, could we be planting edible plants, walnuts, avocados? Some of the riparian planting that has been going on covers some of that; it is quite interesting.*

How much fewer stock is in the catchment than 20 or 30 years ago? Guessing that there has to be 20 or 30% less stock. *That is correct, fewer stock now. The land is not moving as much as it did 30 years ago. Farmers much more aware of land movement.*

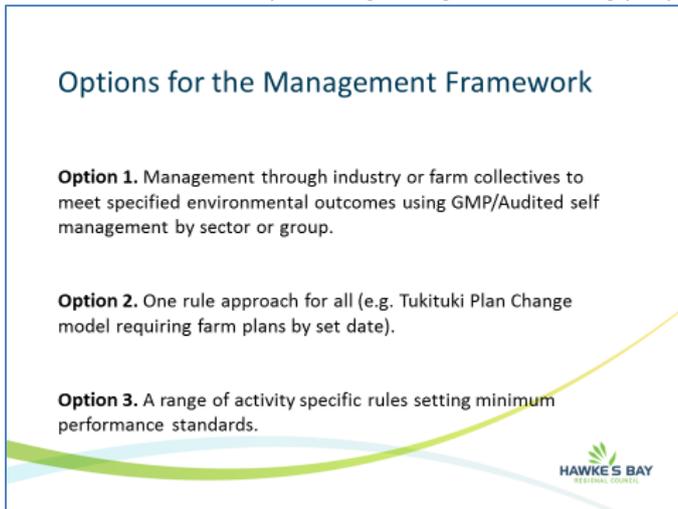
A lot of land being retired. It is important for the group to bear in mind, we are lucky in the Ngaruroro catchment that our State of Environment reports are not showing doom and gloom. Not saying that we cannot do better.

Recent events remind us that we are in for more frequent and more storms and they are the prime movers of large volumes of sediment. *We can only do of what we have control of. A big chunk of sediment comes from up in the ranges. We can only deal with what is in the farm. The big challenge is to guess what is going to slip next.*

James Palmer: Further to that discussion, I am interested to know whether resilience to changing climate particularly, frequency and intensity of adverse events, has been part of the discussion or have you been very much just focussed on the direct relationship between daily farming practice? *Probably the majority was the second part of the statement. But that had come up quite regularly with the change in climate and that sort of stuff. But I also think that it was mentioned before that the stock numbers do change because of that and sometimes it is reactionary, i.e. in a drought, a lot of stock leaves HB, but not necessarily the same number comes back again. So in that regard it is reactionary, but the overall trend is the stock numbers are down which helps. Sheep numbers have gone down from 70 million to 29 million nationally.*

Mary-Anne spoke to a slideshow covering the genesis for the farmer proposal, issues and options. The farmer proposal is in response to the TANK Group's request for further information about the options for meeting a sediment loss reduction target of 10 – 30% (based on the SedNet model). She noted that it is difficult to regulate for water quality related to sediment loss because the risk of sediment loss varies considerably at a property or even paddock scale.

Much discussion took place regarding the following proposed options:



Options for the Management Framework

Option 1. Management through industry or farm collectives to meet specified environmental outcomes using GMP/Audited self management by sector or group.

Option 2. One rule approach for all (e.g. Tukituki Plan Change model requiring farm plans by set date).

Option 3. A range of activity specific rules setting minimum performance standards.

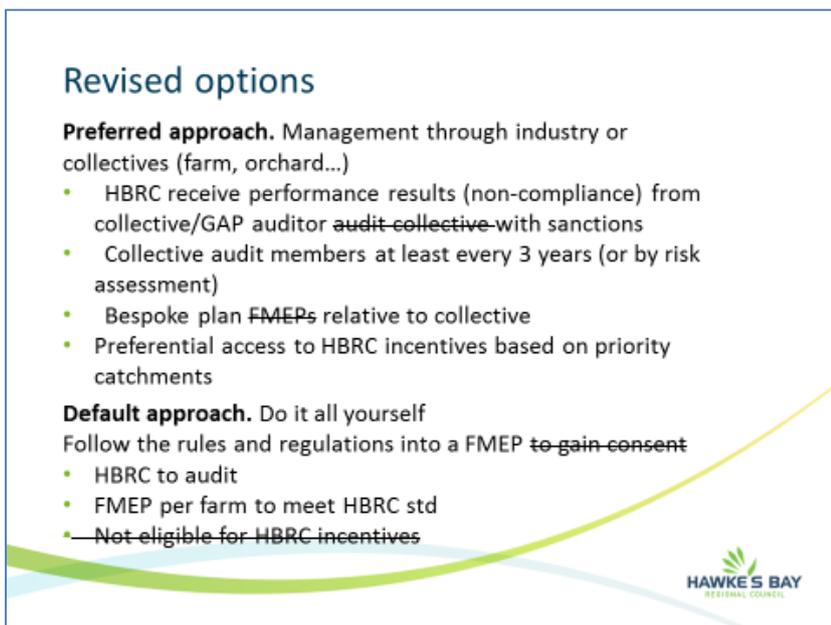
HAWKE'S BAY REGIONAL COUNCIL

The options were confusing and people had a lot of trouble following it. It was further explained that conceptually, if you don't go into a collective you go into a default plan requirement and because the default doesn't have finesse it is going to have some safety measures built into it and be potentially more onerous than a collective approach which is more tailored to the issues in that area and the local water quality objectives. Everyone will have to have a plan but they will not always be the same. The Good Management Practice and the Audited Self-Management are components of the Management Framework, and should be seen as a package of measures that are inter-related and complementary to achieving the outcomes.

In the Tukituki you are talking 1100 different FMP which the council is going to have to monitor. Here you are talking about maybe a dozen sub-catchments that the council audit once a year. If you live in that group, the collective is responsible for making sure that FEMPs are updated and reported on.

James Palmer noted that if there is an industry audited option that meets the standard, for example, a Fonterra supplier is visited every year to ensure compliance with a whole range of things, why would the Council have a duplicate process. If there is an industry programme that meets the standard that we will specify through this plan process, and there is an audited programme around that, industry audited as opposed to individual audited there will be no regulatory overlay. But the regulatory overlay will happen where there is not an industry programme.

After much discussion and rewording the options were re defined as:



Revised options

Preferred approach. Management through industry or collectives (farm, orchard...)

- HBRC receive performance results (non-compliance) from collective/GAP auditor ~~audit collective~~ with sanctions
- Collective audit members at least every 3 years (or by risk assessment)
- Bespoke plan ~~FMEPs~~ relative to collective
- Preferential access to HBRC incentives based on priority catchments

Default approach. Do it all yourself
Follow the rules and regulations into a FMEP ~~to gain consent~~

- HBRC to audit
- FMEP per farm to meet HBRC std
- ~~Not eligible for HBRC incentives~~

HAWKE'S BAY REGIONAL COUNCIL

Matters raised by TANK members:

Does the framework look like it is going to deliver what the TANK group is looking for in terms of ecosystem health and water quality? *It looks at identifying the specific problems for each catchment/location; there might be places which actually have phosphate issues, but there might be other catchment where that is not a problem. Trying to look at each catchment and identify and effectively target the most important issues in that catchment.*

Concern expressed about self-auditing. *Any approach should require farmers to individually assess the environmental risks on their own properties and in the context of the environmental outcomes that are relevant to those properties. If they don't take that targeted approach with either a collective or with the industry, they have to go through the more rigid specification of the farm plan that is the Tukituki model. So it is a matter of degree.*

Option three (specific rules in the RRMP) looks like the easiest option to manage. *But also the most costly. Because once you start looking at specific rules for a range of activities, the vanilla approach, you have a lot more debate about the numbers and performance standards and they apply across all landowners with variable levels of effectiveness. It was actually considered very briefly by the farmer group but we didn't go into the detail of saying what would that mean. First of all you have to decide on all of those number and thresholds and performance standards, they set in concrete the way you do things, they're not linked to specifically to the outcomes and they end up creating a very regulatory compliance driven management framework. It is very difficult to write rules to manage sediment, because it is so site specific and so variable across the catchment. Therefore it makes sense to have farm plans that identify the risks at the site.*

How can you say that when you do not know what the rules are? *We didn't look into the details of a rule-only option as it was the least favoured, potentially most costly and inflexible approach.*

Why can't you audit actual practice? *You would have to audit against a plan that describes compliance with the various different expectations. Some would be rules and some would be policy objectives. Things that can't possibly be written at a regional level or catchment level.*

There may be a loss of transparency from members of the public.

What you will see is sub-catchments taking responsibility, with backup of HBRC policing of collectives. A TANK member observed that you will end up with decreased transparency if you don't go with the collective and endeavoured to explain with a diagram on the board.

ASM (Collective Management)

Policy Statement
-Risk Analysis
Eliminate Mitigate Isolate
-Self Audit

FEMP (Individual Management)

Risk Analysis
-Not site specific

They went on to explain that in a ASM system, there is a Statement linked to what is needed to comply with Council requirements. For example, if we are looking at Irrigation, the requirement is to do a risk analysis for your individual farm and identification of the factors on your farm that will cause you to not comply with this Statement. You are then required to go through a process to **Eliminate, Mitigate and Isolate**, and Self Audit is really important. We do this process throughout the year and then we have to go through a self-audit before we have our audit with Global GAP guide. Some of the questions in these risk analysis and in our statements are about compliance with local government rules, we have to prove how we do it. Under FEMP the risk analysis is not site specific so the farmer is going to have to do things that are going to seem completely ridiculous to him for a start off. When you have farmer involvement and farmer ownership you will get far greater uptake. This is human nature. The risk analysis is for your farm, so if you have quite hilly countryside you are going to have to work within those guidelines.

One person felt there was a lot to think about and was concerned about the possibility that this was "putting the fox in charge of the hen house". He was worried about the detail and still questions about how it was to work. Concerned about leaving it up to the land users. Not sure if this is going to fit across the whole catchment especially where there are highly stressed waterways. Do we need a stronger regulatory plan? *The catchments*

are so diverse that what we are trying to do is have a flexible tool that under a framework, so that we can say in this part of the catchment the problem is phosphate, but in other parts of the catchment is it nitrogen.

Can individuals hide within a collective? And bad practices unpunished. All farmers will be audited and no-performance will be reported on an individual basis. A collective can remove members if they are not compliant. Then they would have to make a go on their own. The collective is way more powerful than an individual. An underperformer in a collective, then the others pull them up to standard. The extreme example is Codling Moth control in NZ. If one person gets found to have Codling Moth in their apples overseas then the whole industry is in trouble. So we work very hard, because nobody wants to be “that” person.

Why would we have HBRC audit, when we already have others already doing all of this. Why not have independent verifiers. If you are paying those verifiers then they are not independent. **The independent verifiers are audited by international auditors to be independent.** HBRC get assurance from the collective or GAP administrators. Not auditing but receiving audit information.

How can we have assurance of auditing standards? Where there is an existing strong industry a regulator would have a high level of assurance that they would be auditing to a proper standard, with trained auditors. If this was a more local collective arrangement how would that arrangement have the skills etc. to audit to the standard required? *In the building control system there are special features in this building, for safety that need to be maintained by the owner. These are signed by an IQP. Independent Qualified Professional. The certifier has to come and check your system and sign off that they are working. So there is nothing to stop Regional Council for these more bespoke collectives having a list of approved auditors that they are happy with to do those audits every now and again.*

Are industrial or commercial users already part of a collective, called a council?

Don't create new collectives. If imposed on farmers then must impose in town.

Why would you differentiate between a collective and an individual with HBRC incentives? Good practice should be rewarded regardless, whether it is in a collective or not. Because the collective is spreading industry knowledge. Some operators are so big that they would have to go on their own. If you are in a priority catchment you would get incentives.

Would this be adopted by all the sectors? *It does provide a model that we can apply more widely, and address the various issues like the nutrient concentrations in the Karamu. This model could also be adapted to meet that. It could be rolled out wider with some modification. Ground breaking piece of policy. It all still comes down to site specific.*

Sheep and Beef did not envisage plans for another other industries, the framework has been developed by the farmers for sediment. Looking more about ideas than specifics.

It was noted that Sheep and Beef have flown under the radar, and so it is okay for them to have 1000 head of stock on a feedlot next to a stream but it is not okay for a dairy farmer to have the same number of cattle in the same spot. So what we are trying to achieve here is actually bring everyone under the playing field. Until we know what operations are out there and what is happening, because a lot of these guys have never had to report before, we will never be able to judge what operations are having an effect or not.

Decision and Next Steps

Mary-Anne summarised some of the key principles from the discussion that could be worked on further. These included: auditing requirements, reporting to council, non-compliance sanctions, good practice rewarded regardless of individual plan or collective and as priority catchment driver. She suggested that the EAWG work through the details and make sure the framework is as robust as it can be, to respond to some of the issues raised, if there was general consensus for that type of management framework.

There was a vote via a show of hands for the proposed approach/management framework. All but one voted “Yes broad support for proposal”. The one against was asked what can we do to change your mind? - *It comes down to practicalities and millions of dollars that can be avoided. Not sure why it is more difficult to audit practice*

or policy. Not sure I agree that it's not possible to write rules to control sediment. Normally in life you solve 80% of your problems with the first 20% of actions. Need practice not plans.

It was agreed that the Economic Assessment working group be given the mandate to flesh out the approach more with all the suggestions that have come through today and bring it back to the table.

James Palmers suggested that Peter could communicated to the Sheep and Beef Farmers Group that there is warmth toward the proposition and it would be helpful if they could continue to work on the specifics of the farm plan framework as it applies to the Sheep and Beef sector, particularly to deal with sediment but not only, and that they continue to bring that through so that we don't then have unfinished business at the end.

7. Item # 5 – Plenary discussion

PLENARY SESSION

1. Update on WCO (James Palmer)
 2. Wider context for the TANK plan change (James Palmer)
 - Strategic Plan; Long Term Plan
 3. Engagement with the wider community – (Drew Broadley)
 4. Consensus Voting @ TANK – is proxy voting allowed?
 5. Ecological Economist
 6. Initiate discuss on retaining water to landscape
 7. Stormwater progress
 8. Drinking Water Source Protection
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8. Item # 6 – Next meeting

Meetings on 10th and 18th October will go ahead.

The closing Karakia was said together. The meeting closed at 4.05pm.

Summary of Action Points

ID	Action item
32.1	Check with Thomas Wilding on what information there is on flows and native fish/birds.