

Allocation of diffuse nitrogen discharges

The Ruamāhanga Whaitua Committee agreed at their 13 March 2017 workshop, and confirmed at their 27 March 2017 workshop, that the allocation to individual resource users of diffuse nitrogen discharges was not feasible at present. Although nitrogen discharges can in theory be allocated, and are in other parts of the country (notably Horizons, Canterbury and now Waikato), the nitrogen discharge data that is available at present in the Ruamāhanga means this is very difficult. An allocation gives a person a well-defined property right. The right then needs to be able to be transferred or traded to achieve the efficiency an allocation regime would provide. For this to be successful allocations need to be defined with a high level of accuracy. This is not available at present. The Committee then considered whether diffuse nitrogen discharges should be allocated to individuals in the future. Pros and cons from their discussion are summarised in the table below.

Pros	Cons
<p>Certainty for resource users</p> <p>Enables management to a limit- provides more certainty that a limit will be met</p> <p>Efficient land use- N units move to higher value and lower leaching land uses</p>	<p>Complex and potentially expensive to administer</p> <p>Initial allocation and transitions to new regime are very challenging</p> <p>Can lead to large changes in capital value of farms</p> <p>Difficult and costly to monitor compliance</p> <p>Tools such as Overseer not optimum and not trusted</p> <p>Can lead to some inefficiencies</p> <p>Once regime in place it is hard and expensive to claw back</p> <p>Significant upskilling of resource users would be required to make allocation work at property scale</p>

The Committee concluded that, at this time, the issues with setting up and administering the regime outweighed the gains to be made in certainty and efficient land use. The Committee recognised that circumstances may change in the future.

The Committee concluded that:

1. Allocation of diffuse discharges of nitrogen is not feasible at present.
2. The regional council could consider nitrogen allocation in the future (for example at the next regional plan review i.e. 10 years) in the following circumstances:
 - Limits were not being met in an FMU and/or freshwater objectives were not being achieved.
 - Tools to administer an allocation regime (e.g. for measuring or estimating leaching at the property scale) are adequate and trusted.
 - Other alternative management methods have been considered and rejected.
3. The regional council should signal now what allocation regimes might be considered in the future, in order to provide some certainty and reduce “gaming”. Allocation regimes considered should be confined to the following types; equal allocation or allocation based on soil type or leaching risk. The Committee is clear that grand-parenting should not be considered in the future.