



Ref: SE-05-07RU

16 December 2005

*NZ forest owners
30-6-05*

Mr Murray Parrish,
Associate Member, NZIF
Carter Holt Harvey Forests
Private Bag 92 106
AUCKLAND

Dear Murray

Thank you for your e-mail to Murray Sherwin dated December 2.

Your note raises some complex issues and I will attempt to deal with some of them here. I note that you have already discussed many of them with MAF staff in other fora. I suggest that if you want to discuss these matters in more detail than I can go into here, that you contact Phil Journeaux, MAF Policy's North Island Regional Manager, who is based at Ruakura. His phone number is (07) 856 1824. I understand that you already know Phil.

In answer to your specific questions:

It can be argued that Section 15 of the Resource Management Act requires a consent for non-point source discharges. The reality is, however, that non-point source discharges occur in industries right across the economy, and MAF understands that finding a workable way to mitigate them has proven difficult. Because of this, MAF understands that, in practice, regional council's have not pursued this line.

No specific advice has been given to either Ministers or Cabinet by MAF on our position regarding the allocation of Nitrogen Discharge Allowances in the Lake Taupo Catchment. MAF's position is publicly available on Environment Waikato's website under "Lake Taupo Variation Submissions".

Several of your questions broadly concern the nature of claims and rights held by existing land uses. Generally, the position that MAF takes depends on the specific activity, and on the economic and social costs of making a change (which the RMA also notes as needing to be taking into account). In the Lake Taupo case, the economic and social costs of wide-scale change among land owners in the catchment were deemed to be unacceptable, given that the same environmental objectives for the lake could be achieved with less economic and social cost to land



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owners (Objective 3 of Environment Waikato's Variation 5 is for these cost to be minimised).

MAF does not support the use of public funds to compensate for 'losses' arising from changes in regulations and standards. The provision of \$81.5 million for the Lake Taupo case was a political decision made by Environment Waikato before MAF became involved.

I note that several of your points concerning some of the increased regulatory costs for forestry and wood processing also apply to other sectors, including agriculture.

MAF does not believe that international markets will be concerned with the \$81.5 million fund, given it is for an environmental program. MAF understands that they would not be able to 'restrict' trade even if they did view it as a subsidy.

Finally, while we acknowledge your concerns regarding the expedition of electricity infrastructure, we understand that the position of Transpower and the electricity distribution industry is that compensation will only be payable if there is a physical imposition on your land (for example a power pylon).

Yours sincerely,

A handwritten signature in black ink, appearing to read "Mike Jebson", with a long horizontal flourish extending to the right.

Mike Jebson
Director, Natural Resources Group

cc Murray Sherwin, Director-General