



NZ Forest Owners  
30-6-06

30 January 2006

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

Dear Murray

Thank you for your e-mail dated 19 January 2006. Your e-mail again raises a number of complex issues, several of which I covered in my earlier letter to you.

You raise yet again the question of discharges to water under Section 15 of the Resource Management Act. As I noted in my previous letter, a strict reading of Section 15 of the RMA would suggest non-point source discharges require authorisation, either through a consent or through other instruments. However, the reality is that non-point source discharges occur in industries right across the economy, and our understanding is that finding a workable way to mitigate them has proven difficult so far. Because of this, we understand that in practice Regional Councils' have not pursued the approach of requiring a consent. While practical difficulty is not an excuse to avoid responsibility, it does raise the real problem of what can realistically be done by Councils. The government, as part of the Water Programme of Action, is giving serious consideration to how the issue of diffuse discharges might be managed in future. The dairy industry is also looking at this issue.

You raise the issue of economic and social costs within the Lake Taupo catchment. Presumably this relates again to the question of nitrogen allocation. As you already know, MAF does not support an averaging allocation on the grounds that this is likely to prevent any of the pastoral farmers from continuing as pastoral farms, thereby driving them out of business. The economic and social cost of this would be very high, and, as previously stated, the RMA also requires these to be taking into account. It is worth noting that MAF has not supported a 100 percent grandparenting of nitrogen discharges to the agriculture sector.



Ministry of Agriculture and Forestry  
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MAF Policy

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It is government policy that public funds are not used to compensate for 'losses' arising from changes in regulations and standards. There are specific situations under the Public Works Act where compulsory takes of land are compensated, but not regulatory restrictions of the use of land. MAF's position is that economic and social losses which would be incurred by pastoral farmers if an average nitrogen allocation is made are undesirable, given that they would result in major social dislocation and wealth transfer between land uses.

MAF does not have a policy *per se* on the electricity supply issue you raise. We will consider the issues, and any policy on them, if and when they arise.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mike', followed by a long horizontal flourish.

Mike Jebson  
Director, Natural Resources Group

cc Murray Sherwin, Director-General