



Enabling Councils to Charge for Monitoring Permitted Activities under the National Environmental Standards for Plantation Forestry

Regulatory Impact Statement

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Agency disclosure statement

This Regulatory Impact Statement and supporting Cost Recovery Impact Statement (CRIS) have been prepared by the Ministry for Primary Industries (MPI) to assess options to enable councils to recover the costs of monitoring permitted activities in the National Environment Standards for Plantation Forestry (NES-PF).

The NES-PF permits activities where management conditions can control potentially adverse environmental effects, such as soil erosion, debris management and sediment discharges to waterways. Councils do not generally monitor permitted activities, instead requiring a consent (and charging for monitoring) where necessary. However, the risk based design of the NES-PF permitted activities means monitoring is assumed and necessary to ensure the NES-PF is implemented effectively and to ensure council observance of this Standard. Under the NES-PF, councils will no longer have the discretion to require a resource consent for activities permitted by the NES-PF. A fair and equitable process for charging to monitor compliance with permitted activities is required; such a process already exists for monitoring consent activities.

The preferred option is for the NES-PF to empower councils to set reasonable charges for monitoring permitted activities. Parliament recently expressed a preference for this approach by amending the Resource Management Act 1991 (RMA) to include such an empowering provision¹.

IMPACTS OF THE PROPOSED REGULATION

Enabling councils to charge for monitoring permitted activities (to ensure foresters are complying with permitted activity conditions) will:

- Increase certainty of environmental outcomes (particularly by foresters less familiar with industry best practice) as permitted activity conditions have been designed to ensure any adverse environmental effects are appropriately managed and that there are no significant adverse effects of the permitted activity (a statutory test for an NES);
- Provide an opportunity for councils and foresters to engage on how monitoring is to occur as well as on wider forestry related environmental management that interfaces with, but is outside of the scope of the NES-PF;
- Ensure councils can be reasonably resourced to design and implement monitoring of the NES-PF as part of wider monitoring programmes;
- Remove the risk of councils reducing other services to fund monitoring of forestry activities; and
- Increase monitoring costs to foresters by an estimated 15 percent per annum on top of current spending on permitted activity monitoring (\$48 000 for regional and unitary authorities and \$18 000 for district councils).

Overall, MPI considers the benefits of the preferred option will outweigh any associated costs or other impacts and notes that the NES-PF provides broader cost savings to foresters over time.

¹ Section 43A (8) of the Resource Management Act 1991 as amended by the Resource Legislation Amendment Act which was enacted in April 2017.



CONSTRAINTS ON THE ASSESSMENT

Principal constraints relate to the potential level of charging, specifically the:

- Number of councils that would adopt a monitoring charge;
- Types of permitted activities charges would be applied to; and
- Scale of actual charges.

Indicative costs have been gauged through a partial cost benefit analysis; actual costs will not be known until the NES-PF is implemented. Councils will be directed in their use of this enabling power by the consultative and charging arrangements set out in section 36 (1) (cc) of the RMA, and sections 83 and 150 of the Local Government Act 2002 (LGA). MPI intends to monitor implementation of charges for permitted activity monitoring and will report back to Cabinet in one year from the date the NES-PF takes effect.

Bryan Wilson
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Ministry for Primary Industries

Date 21/7/17



1 Executive summary

1. The National Environmental Standards for Plantation Forestry (NES-PF) will introduce nationally consistent regulations for managing plantation forestry activities in New Zealand. A risk based approach means forestry activities are permitted where conditions can avoid, remedy or mitigate potential adverse environmental effects. Where they cannot, or where the risks are higher, a resource consent will be required. This approach places a strong emphasis on council's adopting monitoring programmes to ensure foresters are complying with permitted activity conditions, driving a need for councils to be able to recover the associated fair and reasonable costs.
2. A recent amendment to the Resource Management Act 1991 (RMA) allows an NES to empower councils to set charges for monitoring permitted activities (Section 43A (8)). Councils can already make such charges for monitoring consents. Submissions on including this charging ability in the NES-PF found opinion was divided. Councils and some other stakeholders supported the proposal while others, mainly foresters, generally opposed the proposal. During submissions analysis we identified an additional option i.e. empowering councils to charge only for monitoring those permitted activities assessed as 'higher risk'.
3. The options assessed for this policy proposal are:
 - the status quo
 - providing a general power enabling councils to charge for monitoring permitted activities²;
 - providing a limited enabling power for monitoring of only 'higher risk' permitted activities (i.e. those requiring a management plan as potentially adverse environmental effects could be higher or long-lasting) and river crossings where there is the potential for shorter term adverse effects.
4. These options were evaluated against a series of assessment criteria (effectiveness, efficiency, equity and clarity). An initial analysis of non-regulatory options showed they would not be viable standalone options but could, in some cases, support regulatory options.
5. The status quo was assessed as unlikely to meet the criteria. Current mechanisms to recover monitoring costs for permitted activities have the potential to under-resource monitoring and do not provide a strong connection between service and cost recovery.
6. A general power to charge for permitted activity monitoring (Option Two) would send a clear message to foresters (particularly those with less experience) that permitted activities require the on-going application of good industry practice to ensure environmental outcomes are achieved.
7. Monitoring of higher risk permitted activities (Option Three) would not necessarily provide the same incentive for foresters to adhere to industry good practice for all their activities. Neither would it provide an incentive for councils to carry out any monitoring of other permitted activities where it may be warranted by local conditions.

² Except for those permitted activities that are termed 'administrative' (the supply of notices or reporting) or that have no conditions.



8. After further analysis, the preferred option is to empower councils to charge for monitoring all permitted activities in the NES-PF.
9. In assessing the proposal, MPI has been able to draw on an NZIER³ and MWH Global⁴ economic assessment of the proposed NES-PF. This included an analysis of permitted activity monitoring costs by councils, corporate forest owners and smaller foresters based on information from stakeholder interviews. The results were extrapolated to annual, national costs.
10. The findings indicate that the combined national costs of monitoring permitted activities incurred by councils and larger foresters would increase by an estimated 15 percent per annum. On an annual basis, the increase is estimated to be \$48 000 for regional and unitary authorities and \$18 000 for district councils. While the benefits cannot be disaggregated to the same extent (as they are part of broader outcomes), being able to manage key forestry operations under a permitted activity regime will contribute to improved investment certainty and reduced plan advocacy costs. The permitted activity conditions will also contribute to improved environmental outcomes (particularly for smaller foresters). The principal benefits would include reduced erosion and sediment discharge to waterways, downstream infrastructure, and better control of wilding spread.
11. MPI considers that the findings from the NZIER/MWH Global cost benefit analysis and a separate Scion environmental impact assessment indicate that there is a solid economic case for introducing national regulations to enable councils to recover the fair and reasonable costs associated with the monitoring of permitted activity conditions. A supporting Cost Recovery Impact Statement (CRIS) sets out the policy rationale for recovering costs, explains the recovery model, and provides indicative costs of recovery levels, based on existing charging by councils (refer Appendix Two).

2 Background

2.1 THE NES-PF AND ITS PERMITTED ACTIVITIES

12. National Environmental Standards are regulations prepared under section 43 of the RMA and usually apply nationally.
13. The NES-PF has been designed to set nationally consistent regulations that will maintain or improve environmental outcomes from forestry operations and increase operational certainty and efficiency across the 1.7 million hectare plantation estate, irrespective of whether the operation is a 10 000 hectare estate or 5 hectares of plantings across a farming operation⁵.
14. The regulatory framework in the NES-PF includes carefully designed management conditions for permitted activities (i.e. activities that do not require a resource consent). The purpose of these conditions is to avoid, remedy or mitigate potentially adverse environmental effects of forestry activities such as harvesting and earthworks (in particular soil erosion, debris management and the sedimentation of waterways). Many of

³ New Zealand Institute of Economic Research.

⁴ MWH Global (NZ) now part of Stantec.

⁵ Replacing the current situation of highly variable regional and district plan rules, which may change a number of times during the life cycle of a plantation forest (typically 26 to 32 years for *Pinus radiata*).



the activities permitted in the NES are already permitted in existing council plans but the NES-PF will also permit some activities that are currently consented by some councils. The NES provisions for permitted activities differ in that an NES may not permit an activity that has significant adverse effects⁶. All permitted activities (including their associated conditions) in the NES-PF have been independently assessed as meeting this test. However, as with current council plan rules, the underlying assumption is that foresters will comply with permitted activity conditions and that targeted monitoring of compliance will occur. Consequently, councils will play a critical role in monitoring environmental performance where foresters carry out permitted activities.

2.2 COUNCIL MONITORING OF PERMITTED ACTIVITIES AND THE POWER TO CHARGE FOR THIS MONITORING

15. At present, councils can recover costs where monitoring activities are regulated by resource consents, but the RMA does not provide a specific ability for charging for monitoring permitted activities. In this context, monitoring means checking that forester's operations are carried out in a way that complies with all applicable conditions (including management plans). This may be through paper-based assessments, site visits or other contact. Follow-up compliance or enforcement action where non-compliance is discovered is not covered by this proposal.
16. The issue of resourcing councils to effectively monitor permitted activities has been raised periodically during the NES development process (including during stakeholder meetings and in feedback on an exposure draft of the NES-PF). Councils have expressed concern that the cost of this monitoring would have to be covered by the wider rating base, or the level of monitoring may have to be constrained due to budget limitations.
17. Parliament recognised this constraint in the passage of the Resource Legislation Amendment Act 2017 (RLAA), which was enacted in April 2017. This Act introduced an enabling provision to the RMA (Section 43A (8)) that allows an NES to empower local authorities to charge for the monitoring of specified permitted activities in an NES. An NES is not required to include such a provision, and, if it does, councils are not required to set or levy charges. The power does not apply to any other permitted activities that council plans may permit (i.e. those that are not included in the NES-PF).

2.3 PROCESS AND VIEWS RELEVANT TO CONSIDERING CHARGING FOR PERMITTED ACTIVITIES IN THE NES-PF

18. Following the enactment of the legislation, MPI released a discussion paper seeking stakeholder feedback on the inclusion of a regulation in the NES-PF which would enable councils to charge for permitted activity monitoring⁷.
19. The feedback was divided. Councils and a number of stakeholder groups and individuals supported the use of an enabling power to recover costs. Comments in support of the proposal, principally from councils and environmental NGOs included:
 - It would be difficult to implement and enforce an NES-PF based on a permitted activity regime in practice without a clear mechanism to charge for the costs of monitoring;

⁶ Section 43A (3) (b) of the Resource Management Act 1991.

⁷ The submission period ran from 19 May to 16 June 2017 with submissions received from 58 people and organisations.



- If there was no mechanism to recover monitoring costs, the financial cost would unfairly fall on ratepayers (who did not directly benefit) and who could also be affected by potential reductions in council services in other areas;
- There could be significant adverse effects if foresters did not comply with permitted activity conditions and monitoring would help to ensure the permitted activity framework provided good outcomes; and
- Without monitoring there was no incentive for foresters to raise their standards.

20. Comments from industry and a number of individual submitters included:

- Existing charging mechanisms are available for reasonable costs of monitoring;
- Giving councils the ability to charge for forestry monitoring under the NES-PF would be inequitable as it targets a specific group of landowners and does not appear in other NESs;
- Council monitoring programmes are not clear and transparent (and are complaints driven);
- This proposal is contrary to the objective of the NES-PF as it introduces variation and uncertainty including, and will require industry to be involved in regional and district council annual reviews of charges and fees for each district and regional council;
- New charging mechanisms would require councils to review existing rating charges to remove any potential for cost duplication (to ensure equity for the sector); and
- It was suggested the use of the new RMA provision be delayed until the first review of the NES-PF in 2020 when more information would be available, allowing a more informed proposal.

21. During analysis of submissions we considered an option which would take a more risk based approach to allowing charging for monitoring. This option confined the power to charge to higher risk activities (e.g. those which require management plans). This has been developed into a separate assessment option.

22. A number of industry submitters also proposed that a decision on an empowering charge be delayed until the first review of the NES-PF in 2020, to give time to determine costs and monitoring levels. Some also stressed that direction will be needed (through the regulations or guidance material) that the fee system should be a 'charge for service', rather than a general rate, and that safeguards are needed to avoid issues such as double charging for council time and services.

23. The following analysis addresses a number of these points, however, the comments relating to cross-sector equity, avoiding duplication of in charging and delaying the introduction of monitoring charges are broader issues.

24. We recognise that this proposal creates some sector inequity. However, in the wider context, Government is taking a number of actions that will, in the shorter term, impact other parts of the primary sector, such as farming. These actions will, in effect, set standards to manage environmental effects of activities and ensure they are complied with. Examples are changes to requirements under the National Policy Statement on Freshwater Management that will affect council plans and impose costs on farmers to improve water quality over time. In addition, the stock exclusion regulations (using the recently included s360 of the RMA) that are scheduled to take effect later this year will also impose costs for those that do not comply to address the potential adverse



environmental effects (through new infringement offences – section 360 (1) (bb) of the RMA).

25. It is not clear what further information would result from a delay. The proposed RMA amendment had been raised with stakeholders, including the NES-PF Stakeholder Working Group. It was clearly signalled that, on enactment of the RLAA, consultation on including a provision to empower councils to charge would be released for consultation. Information on the basis for any proposed charge and its level must be provided by councils as part of the statutorily established consultative process. A delay does not change this process. Further, once the NES-PF takes effect on 1 May 2018, there are potentially significant environmental effects from poor practices. Those forestry operators and owners that pose the higher risk are those that should be the subject of monitoring charges.

2.4 TREATMENT OF ADMINISTRATIVE CONDITIONS

26. MPI proposed in the consultation document that purely administrative conditions (such as lodging notices, and reporting on the design and location of slash traps) should be excluded from permitted activities to be monitored. The feedback on this point was mainly from those supporting a monitoring charge. While there was a reasonable level of support for excluding those conditions from monitoring charges, a number of councils disagreed. They supported an ability to charge foresters for assessing management plans they are notified of (which are required for earthworks, quarrying⁸ and harvesting), but which are only supplied to councils at their request.
27. However, ‘external authorisation’ cannot be included as a permitted activity condition and is treated as administrative. The reason for this is that submission of information (to notify of an intended activity) is an administrative function, not requiring council (external) authorisation. It would not be reasonable for councils to charge for receiving this type of information. In this situation, the council’s role in relation to management plans is limited to ensuring that they are complete, according to criteria specified in the NES-PF.
28. It is, however, the intention that the management plans are used by councils to inform a risk-based approach to monitoring. Specific guidance will be developed to ensure councils understand the design and purpose of the NES-PF requirements for management plans to ensure councils fairly set charges and are not simply charging for receiving plans.

3 Status quo and problem definition

3.1 POLICY CONTEXT

29. Cabinet approved the preparation of a national environmental standard in 2016 as the most appropriate RMA mechanism to address the unwarranted variation in council plan rules for forestry activities (EGI-16-MIN-0146 (14) refers). Unwarranted variation can best be described as a level of variation that does not provide any discernible environmental, economic, social and cultural benefit, and imposes a cost. The resulting NES-PF regulations, drafted in accord with Cabinet’s policy decisions, will provide a nationally consistent approach:
- Requiring the use of risk assessment tools to identify the correct activity status e.g. permitted (i.e. no resource consent required) or consent;
 - Prescribing permitted activities with conditions designed to ensure adverse environmental effects and risks can be appropriately avoided or managed. Those conditions include a

⁸ Earthworks and quarrying activities require management plans once certain size thresholds are reached.



requirement that foresters develop and implement management plans for activities that pose higher risk i.e. earthworks, quarrying⁹ and harvesting. Plans must identify potential environmental risks and how foresters intend to manage those risks; and

- Requiring a resource consent where the activity poses a higher risk and could result in an adverse environmental effect or where permitted activity conditions cannot be met.

3.2 STATUS QUO

30. Councils can make charges for reflecting the reasonable costs of monitoring compliance with consent requirements, using well-established local government charging and consultative procedures under the RMA and Local Government Acts. Councils have implemented charges with varying approaches, such as fixed charges and/or variable charges for more uncertain aspects of monitoring, for example travel time for physical site inspections.
31. Councils will weigh the costs of establishing charges and their costs of managing such charges a part of implementing the NES-PF. In some cases it may not be cost effective to have specific charges rather than one that is a component of general rates. This may be the case, for example, for councils with less resources and a smaller population base, or where the actual level of forestry and associated monitoring does not justify the level of overhead costs.
32. There is not however a clear path for recovering permitted activity monitoring costs. This potentially leads to under resourcing of monitoring (as councils need to draw on their wider rating base, with its competing priorities for resources) and less certain environmental outcomes (particularly where foresters are less experienced or infrequently harvest trees).
33. The statutory process for councils to fix fair and equitable charges for monitoring consent activities is in place under the RMA. The difficulty, until the passage of the RLAA in April 2017, has been to apply these charging arrangements to the monitoring of permitted activities. The current arrangement that applies for consented activities, is described below:
 - Section 36 (1) (c) provides for fixed charges for the ‘administration, monitoring and supervision of resource consents);
 - Section 36AAA requires that a local authority shall have regard to specific criteria when fixing such monitoring charges which include:
 - ‘where the need for local authority actions to which the charge relates is occasioned by the actions of those persons; and
 - That the sole purpose of a charge is to recover the reasonable costs incurred by the local authority in respect of the activity to which the charges relates.
34. Where these provisions now apply to permitted activity charges, councils would need to amend existing rating mechanism to recover any duplication with the new charge.
35. S36 (3) requires that charges may only be fixed in the manner set out in section 150 of the Local Government Act 2002 (i.e. prescribed by by-law developed using the special consultative procedure set out in section 83 of the Local Government Act 2002).The consultation process set out in the above statutory process provides the mechanism for foresters to formally engage with councils on the type of consents that a monitoring charge is proposed for, and the level of charge. This would also be the case for permitted activity monitoring. Any engagement outside of that formal process would depend on the nature of the relationships between the council and foresters.

3.3 PROBLEM DEFINITION

36. The introduction of the NES-PF with its prescribed permitted activity conditions means there will be a greater duty on councils to undertake monitoring and engagement with foresters on environmental standards and performance. This means that councils no longer have the discretion to require consents for those matters and therefore cannot set charges for monitoring.
37. We are aware some councils charge to monitor certain permitted activities e.g. effluent spreading, but the mechanism to achieve this is not clear [and not clearly vires] and so cannot be relied on for

⁹ Earthworks and quarrying activities require management plans once certain size thresholds are reached.



monitoring the NES-PF. We believe that without a level of monitoring that is commensurate with the extent of, and risks from, forestry operations in a district or regional, there is the potential for:

- Greater non-compliance, potentially undermining the objective of the NES-PF by increasing the risk of adverse environmental effects that would otherwise be avoided or mitigated;
- Delays in councils being aware, and responding to, breaches or potential breaches of permitted activity conditions; and
- Slower adoption of good industry practices by higher risk forestry operators, as they will not have the regular engagement with councils that reinforces behavioural change in operational practices.

38. Councils would have to use alternative means to recover costs, such as through general rates. This means the charge is not 'levied' on the person whose actions cause the need for monitoring, and the financial cost of monitoring may be balanced by reducing services in other areas to refocus existing resources.

4 Objectives

39. The objective of the proposal is to allow councils to charge for monitoring permitted activities to:

- Maximise the potential for effective implementation of the NES-PF;
- Ensure strong incentives for compliance with permitted activities and conditions so the objectives of the NES-PF are achieved; and
- Ensure information is available to assist in monitoring the implementation of the NES-PF and to identify potential improvements to the regulatory framework (including those that can improve compliance).

40. Four criteria have been used to evaluate each of the options:

- i. Will the options be *effective* in achieving the desired change in outcomes? If an option is effective:
 - There will be a higher level of compliance with the permitted activity conditions;
 - There will be fewer instances of adverse environmental effects associated with non-compliance; and
 - There will be increased engagement between forest owners and operators, and councils leading to more effective implementation of the NES-PF and wider forestry planning requirements, and long term improvements in environmental outcomes and a consequent reduction in the compliance effort required.
- ii. Will the options be *efficient* (i.e. the minimum necessary to ensure the purposes of the NES-PF are met; will they be practical, economically viable and administratively efficient to deliver)?
- iii. Will the options be *equitable* (i.e. the level of charging proportionate to the monitoring costs)?
- iv. Will the options be *clear and precise* so there is no doubt over the process for setting and applying charges for monitoring permitted activities in the NES-PF?



5 Options analysis

5.1 OPTION 1 - STATUS QUO

41. The status quo option would involve maintaining the dependence upon general rating (and in a few cases uniform annual charges and specified fees) for funding permitted activity monitoring. While this spreads the costs across the rating base:
- The monitoring that can be funded through general rates may not be commensurate with what is required;
 - The level of monitoring will be affected by other council funding priorities;
 - Councils are less likely to have dedicated staff to forestry matters (who know and have working knowledge of the industry);
 - The costs of monitoring may not be equitably shared across land owners and industry groups; and
 - The main ‘benefactors’ and ‘exacerbators’ of risk from the activity (foresters) would not be paying the costs that would not otherwise be generated.
42. Constraints on resources mean councils are more likely to be reactive in their assessment of operations, rather than able to work with foresters through the rotation of the forest. The first contact with the forester may well be when an issue reaches the point where compliance or enforcement action is required (i.e. in response to a complaint or breach of the regulations). The NES-PF specifies conditions for permitted activities and uses a management plan approach to encourage and facilitate risk identification and prevention or management prior to an activity being carried out. Leaving the forester to introduce corrective action to remedy an environmental impact they have caused is not consistent with this approach. Where impacts may affect a catchment or river system for an extended period, costs, both financial and environmental, will be created for all the parties involved (including downstream neighbours and receiving environments e.g. lakes or coastal marine environments, and downstream infrastructure).
43. The absence of dedicated resources (through fees or charges) would limit the ability of councils to:
- Design an effectively targeted, clear approach to monitoring with national and region specific elements and with input from foresters; and in doing so
 - Improve incentives for the adoption of good industry practice and reduce the potential for non-compliance and poor environmental outcomes.

5.2 OPTION 2 – REGULATIONS IN THE NES PROVIDE FOR PERMITTED ACTIVITY MONITORING CHARGES (PREFERRED OPTION)

44. Under this option, the NES-PF would empower councils to fix charges for the monitoring of permitted activity conditions. Councils would follow the RMA and Local Government Act procedures (discussed previously) to establish charges and recover the reasonable costs of monitoring permitted activities. This would provide a stable funding platform for monitoring, and support the integrity of the NES-PF regulatory framework.
45. Council submissions stressed that the charging mechanism (as in other council areas) should be based on the principal of costs being charged to the beneficiary of the service (i.e. the fair costs involved in monitoring recovered from the foresters who benefit from the permitted activity status). This reflects section 36AAA (2) of the RMA and section



150(4) of the Local Government Act 2002 which specify that the sole purpose of a charge is to recover the reasonable costs incurred by the local authority in respect of the activity to which the charge relates.

46. While the NES-PF must identify the specific activities that councils can fix such charges for, it would be up to individual councils to determine which NES-PF permitted activity conditions charges would be applied to, and the level and type of monitoring that is required. There has been cross council work in recent years to improve consistency in compliance management, and a common approach has been set out in the Regional Sector Strategic Compliance Framework 2016-2018¹⁰. Drawing on this framework, councils may determine monitoring is appropriate:
- Due to the nature of the activity and the potential risks;
 - Where the operator has a limited understanding of the permitted activity requirements; or
 - Where compliance history gives cause for concern.
47. The establishment (and review) of monitoring fees will be subject to public consultative processes. Section 43A (8) of the RMA does not enable the government to recommend the level of charging.
48. In establishing charges for permitted activity monitoring, the charging level, and coverage, will need to recognise:
- The revenue already received through general rates (and any uniform charges) for the monitoring of activities, to avoid double charging, and ensure the system is equitable to all land users;
 - The services currently provided by councils to land owners in all sectors on a free, or financially supported basis (such as soil conservation and biodiversity management); and
 - The utility and fairness of charging for activities with relatively minor effect.
49. Under this option, charging would be applied to those permitted activities in the NES-PF (as outlined in Appendix One) excluding administrative conditions (notices and reports) although this would not preclude councils from monitoring the activity for which the notice or report is given.
50. A concern for the industry is that individual foresters and companies will have on-going costs in submitting on the fee and charging levels set out in council annual plans. The savings that will be gained in reduced plan submission costs could be eroded through having to submit on these annual plans. As discussed previously, the setting of fees and charges by councils follow prescribed processes under the RMA and Local Government Act. These are the same processes that the industry currently engages in for the setting of fees and charges for consented activities, staff time and enforcement fees. However, at least in the short term, MPI and MfE will monitor the fees that are being set and the activities for which they are being charged to ensure that they are fair and reasonable. A review of how councils set and charges fees can be incorporated in the initial review of the NES-PF in 2020.

¹⁰ Developed by the Compliance and Enforcement Special Interest Group to provide a collective, consistent overarching framework for regional councils and unitary authorities.



5.3 OPTION 3 – REGULATIONS IN THE NES PROVIDE FOR MONITORING CHARGES ON PERMITTED ACTIVITIES THAT HAVE MANAGEMENT PLAN REQUIREMENTS AND RIVER CROSSINGS

51. Given the objections to the use of charging by industry and some pertinent points about sector inequity, we considered a ‘compromise’ option for charging. This would limit charging to those permitted activities assessed as ‘higher risk’ i.e. where a failure in operational practice could have higher, or have long lasting environmental effects or, in the case of river crossings, in some situations, a higher risk in the shorter term. Consequently this option focuses council’s priorities for permitted activity monitoring programmes. Any further monitoring of permitted activities based on council risk assessments of local needs would require funding from other sources if it was to be undertaken. Remaining permitted activities with a lower risk of adverse environmental effects, such as pruning and thinning, would be excluded from the charging regime.
52. One forestry submitter noted that monitoring is required where there is a reasonable risk of non-compliance by operators, for example, due to limited operational knowledge and/or a history of non-compliance. Several foresters noted that they were not averse to a ‘user-pays’ systems in principle, though they did not think it was necessary for the NES-PF.
53. This approach would substantially achieve the aims of the NES-PF through targeting the effects associated with higher risk activities, but would leave open the potential for non-compliance across a number of other operational areas. While these pose lower risks, there remains the potential for adverse environmental effects if operational practices do not meet good industry practice. This would particularly be an issue with operators less familiar with industry practices (e.g. first time or periodic timber harvesters). Council compliance and enforcement staff are also in a better position than a national regulator to determine where particularly sensitive areas may need greater care from foresters and more monitoring attention. Consequently while this option provides clear priorities for monitoring, and identifies activities that councils would typically assess as higher risk, it reduces councils ability to consider locally specific issues associated with activities outside of those specified under this option.

5.4 NON-REGULATORY MECHANISMS

54. Non-regulatory options for councils are to:
- Maintain any current permitted activity monitoring for forestry and/or re-spreading existing consent monitoring budgets across permitted activity **and** consent monitoring (this may be from all primary sector or forestry related resourcing); and/or
 - Re-prioritise council educational resources over the next 12-18 months to targeted foresters and lift the skill of those foresters that pose greater compliance risks to ensure they understand the new requirements and how they can comply; and/or
 - Work with foresters on a voluntary reporting regime that could provide information with which to assess compliance and compliance risks, allowing more specific risk based targeting of fewer resources.



55. MPI has considered the extent to which these non-regulatory mechanisms could achieve the objectives of monitoring permitted activities. In these cases, councils will still incur additional costs which the broader ratepayer base would need to cover. MPI does not have any power to require such actions by councils or foresters so there is no guarantee that this would occur. In light of this, MPI does not consider that there is a viable non-regulatory option.

5.5 PREFERRED OPTION

56. The three options have been evaluated against the assessment criteria (refer Objectives section above). The status quo provides the benchmark for considering the other two options. The status quo is considered unlikely to meet the criteria; as the current legislative basis for funding monitoring of the NES-PF is likely to under-resource monitoring and does not strongly connect the service and cost recovery.
57. Options Two and Three provide a direct charge to the ‘benefiters’ and ‘exacerbators’, helping to support the integrity of the permitted activity elements of the NES-PF framework. They would enable councils to fully and transparently account for costs (and charges), in an efficient and targeted way. This mechanism ensures the level of funding would match demand, and, as it is a direct mechanism, it would also support council and forester engagement and encourage improved environmental outcomes.
58. Implementing Option Two (all permitted activities) would send a clear message to foresters (particularly those with less experience) that their ability to operate under a permitted activity status is subject to conditions that must be met. Also, importantly, their ability to maintain this status requires them to continue to apply good industry practice, thus ensuring environmental outcomes are achieved. It also provide councils with the ability to undertake more complete risk assessment for monitoring priorities that reflect local issues relating to factors such as land type, receiving environments and their sensitivity, the nature of forestry operations, and community priorities.
59. Focusing on higher risk activities (Option Three) would not provide the same encouragement (or incentive) for foresters to move all operational practices to meet industry standards. It would also not allow for local differences in receiving environments that may require greater local oversight of activities that appear to be less risky than those requiring management plans.
60. From this assessment, Option Two achieves the highest score, most closely meeting the objectives for the proposal, including the effective implementation of the NES-PF. This assessment is summarised in Table 1.



Table 1: Assessment of the options against the assessment criteria

The analysis in the table below compares options against the status quo.

Summary of proposed regulations	Effective – the desired change in outcome and/or updated practice be achieved	Efficient – requirements are the minimum necessary, practical, economically viable and administratively efficient	Equitable – the level of charging is proportionate to the monitoring	Clear and Precise – no doubt over the process
Option 1: Status quo	-	-	-	-
Option 2: Regulations under the NES to provide for permitted activity monitoring charges (preferred option)	✓✓	✓✓	✓✓	✓✓
Option 3: Regulations under the NES to provide for monitoring charges on permitted activities with management plan requirements	✓	✓✓	✓✓	✓

Key: ‘-’ = criteria unlikely to be met; ‘✓’= criteria is partially met; ‘✓✓’= criteria is likely to be met.

6 Impact of the preferred option

61. NZIER, in association with Harrison Grierson and more recently MWH Global, has worked with MPI to assess the costs and benefits of the NES proposal and indicative rules/regulations. In May 2016, NZIER and MWH Global produced a partial cost benefit analysis, which included an assessment of permitted activity monitoring costs by councils, corporate forest owners and smaller scale foresters¹¹. This assessment was based on detailed interviews with selected regional and district councils, major forest owners and representatives of smaller foresters.

¹¹ NZIER and MWH Global (2016). *Plantation forestry economic analysis: Revisions with new information on proposed National Environmental Standards*.



62. NZIER and MWH Global extrapolated the costs derived from the interview process to calculate national estimates for each of these groups. For each stakeholder group, the authors concluded that the increase in monitoring and compliance costs (associated with permitted activity monitoring) would be small to moderate. A summary of this assessment is provided below.
63. While the costs associated with permitted activity monitoring can be assessed separately from the wider policy package, this is a more difficult task for the anticipated benefits, as they feed into common benefits, such as reduced RMA advocacy costs, increased investment and planning certainty, and improved soil erosion and biodiversity outcomes. These broader benefits are discussed later in this section. NZIER and MWH Global have estimated the financial benefit of reduced plan and advocacy costs, along with improved investment certainty, but they left the environmental outcomes unquantified, due to data limitations. To address this gap, MPI contracted Scion to examine these environmental benefits (in a report published in June 2015). For both reports the estimates should be seen as indicative of the order of magnitude of the potential costs and benefits.

6.1 COST IMPACTS

64. The table below is derived from the NZIER and MWH Global report, and sets out the costs identified by the authors in their interviews with affected stakeholders. The findings indicate that the costs incurred by councils and larger scale foresters in monitoring permitted activities would increase by an estimated 15 percent. On an annual basis, the increase is estimated to be \$48 000 for regional and unitary authorities, \$18 000 for district councils, and \$19 000 in the first year for larger scale foresters and \$9 000 for smaller scale foresters. The authors note that these are indicative figures only and that the regional impact will vary.

Summary of Permitted Activity Costs (May 2016)			
Affected Stakeholder / Activity	Explanation	Additional Costs	Data Source
Regional and Unitary Councils			
Permitted activity management	Councils noted that it is difficult to judge the new level of activity, but estimated that costs would increase approximately 15% above the status quo.	\$48 000 per annum	Council interviews
District Councils			
Permitted activity management	Councils indicated that relatively limited permitted activity monitoring is currently undertaken. NZIER / MWH Global have estimated that costs would increase by 15%.	\$18 000 per annum	Council interviews
Large Foresters			



Permitted activity costs	Companies indicated that the new reporting requirements, and increased complexity of the conditions, could initially increase costs by 15% above the status quo. The costs may decrease as the types of monitoring and auditing are bedded in. It was also noted that costs are likely to vary significantly between regions.	\$19 000 in first year	Forestry company interviews
Small Foresters			
Permitted activity costs	Estimated from interviews and data analysis.	\$9 000 in first year	Small forester interviews

Source: NZIER and MWH Global (May 2016), *Plantation forestry economic analysis: Revisions with new information on proposed National Environmental Standards*.

Note: Numbers are rounded.

6.2 ANTICIPATED BENEFITS

65. While the greater emphasis on permitted activity monitoring will add additional costs to councils and the forest industry, NZIER and MWH Global estimate that the costs associated with monitoring, consent compliance and increased setbacks will be outweighed by greater planning certainty and reduced financial costs in plan development and advocacy.

Certainty of Investment

66. With an investment timeframe of 28-30 years, there can be significant uncertainty around how the planning environment will look when it comes time to harvest (i.e. will there be increased restrictions on harvesting; or additional costs in managing a plantation). While an NES will be periodically amended, the fact that it is a national planning instrument gives current and prospective forester's confidence that future changes will be driven by science, and good environmental and industry best practice. Where shifts occur they are likely to be progressive.

67. The NZIER and MWH Global report estimates the value of planning certainty to stakeholders in the first year of the NES-PF would be in the order of \$363 000. The ability to undertake key operational tasks as permitted activities will be a major contributor to this increased certainty.

Reduced Advocacy and Plan Development Costs

68. The adoption of national environmental standards will reduce the duplication of effort that councils incur in developing separate forestry provisions at a district or region level. The expenditure by forestry companies and stakeholders on advocacy would also reduce, in line with the number of plans they need to submit, and mediate, on. One forestry management company reported in the early stages of the NES process that they had been involved in approximately 40 district and regional plan reviews. This duplication of effort comes with a high financial expense.

69. The NZIER / MWH Global assessment found that financial savings would be achieved at a district and regional council level, through reduced plan development costs; and at forester and stakeholder level through a reduction in advocacy costs (i.e. engagement in the planning and appeal process). The estimates of annual savings were in the order of \$128 000 per annum for regional councils and \$112 500 for district councils. In the first year of the NES the estimated saving for large foresters would be in the order of \$384 000



and this is expected to rise to \$479 000 by year five. Significant annual savings would also be recorded for smaller scale foresters, NGOs and government agencies.

70. Again, it is important to recognise that only a proportion of these gains are attributable to the permitted activity conditions that will be in the NES-PF.

Net Environmental Benefits

71. The environmental assessment undertaken by Scion in 2015¹² focused on smaller scale foresters, as the majority of corporate foresters, and larger private owners, were assessed as already working to the management practices that are incorporated in the proposed NES. The areas examined by the authors were avoided erosion and wilding spread, along with the impact of the new regulations on freshwater and terrestrial biodiversity and quality. The nature of the findings were more descriptive than prescriptive, with national financial estimates only provided for avoided sedimentation and erosion.
72. The final assessment is summarised in the table below, and shows that all three variables were assessed as having a net environmental benefit for New Zealand. The report noted *‘although there will be negative outcomes due to the ‘one size fits all’ approach, the environmental costs will be mitigated at a national level by the improved certainty of environmental outcomes as a result of targeted controls of environmental risks under the NES’*. The potential for negative effects, at a local or regional level, will also be mitigated by providing councils with an ability to be more stringent on specific matters.

Net Benefits Resulting from the NES for Different Environmental Variables			
Environmental Variable	Benefit	Cost ¹	Net
Avoided Wilding Spread	+	0	+
Avoided Sedimentation and Erosion	+	0	+
Freshwater and Terrestrial Biodiversity and Quality	+	0	+

¹ Negative outcomes are mitigated by the stringency provision.

73. MPI considers that the findings from the NZIER, MWH Global and Scion research indicate that there is a solid economic case for introducing regulations to enable councils to recover the fair and reasonable costs associated with the monitoring of permitted activity conditions.

7 Consultation

74. The Ministry for the Environment (MfE) consulted on the proposal to include a provision allowing an NES to empower councils to charge for monitoring permitted activities as part of the Resource Legislation Amendment Act (2017). MfE received 30 submissions on the legislative proposal, with 20 submitters supporting the proposal to allow charging for permitted activity monitoring (with or without changes to the draft wording), and only 3 against or partially against (with the remainder being neutral or unclear in their position).

¹² Scion (2015). Environmental Impact Assessment of the Proposed National Environmental Standard for Plantation Forestry.



Support for the legislative change came from across industry, councils, environmental groups and iwi, on the basis that it would enable a better balance between the number of activities that can be undertaken as permitted activities; and the level of monitoring required for these activities. Issues raised in submissions included the need for:

- Transparency in the charging process (i.e. making parties aware of the charge when they check the plan conditions); and
- Safeguards to ensure the charges are reasonable and recover the costs incurred by the local authority in respect of the activity (this is addressed in the procedures contained in section 36 of the RMA (Administrative charges)).

75. Following the passage of the RLAA (in April 2017), MPI released a discussion document seeking views on whether the NES-PF should empower councils to fix charges for monitoring permitted activities. The submission period ran for four weeks between 19 May and 16 June 2017. MPI received 58 submissions mainly from councils and foresters (both larger and smaller scale). Some individuals, iwi and environmental NGOs also responded.

8 Conclusions and recommendations

76. Overall, MPI considers that the impacts of the proposed regulations are outweighed by the benefits, in terms of improved environmental outcomes and reduced industry costs (associated with a consistent regulatory regime, and an ability to operate in a permitted activity environment, where industry good practices are met).

9 Implementation plan

77. In order to maximise the effectiveness of the proposed regulations, and to mitigate the costs to foresters, the following approach will be used to implement the new regulations:

- Support and educational initiatives through the development of guidance and workshops aimed at raising awareness of the NES-PF;
- Support councils change to monitoring plans to ensure compliance; and
- The use of a transitional period, between the gazetting and introduction of the regulations.

78. In developing the NES-PF MPI has considered the risks that could arise with the process to interpret and correctly implement the NES-PF and the means to mitigate these risks. Work will be coordinated with MfE's National Direction teams to ensure consideration is given to planning for implementation in light of timeframes for other national direction and planning commitments.

79. Providing support and raising awareness of the new regulations is an area of shared responsibility between MPI, councils and industry groups. MPI will work with these groups to ensure that guidance material and supporting activities are available to regulated parties from a number of different sources.

80. In addition to raising awareness of the new regulations there will also be a need for ongoing support to refresh knowledge and ensure new entrants to the industry are aware of the NES-PF regulations.



81. Submissions have highlighted the following areas where guidance during the implementation phase would help to address identified risks:
- Charging direction to avoid double dipping from existing rates and the proposed monitoring charges, for the same activities;
 - A monitoring plan developed through consultation with foresters that is to be adhered to by local authorities and forester to ensure transparency in the use of this power and what constitutes actual and reasonable charges;
 - Clarity as to the specific amendments to fee and charging schedules that will be required e.g. to specifically refer to permitted standard monitoring charges for the NES;
 - The use of templates to identify the specific approach to monitoring, what triggers monitoring, what is expected from foresters e.g. during inspections, and the feedback to foresters and their process to challenge; and
 - An interpretation of compliance and non-compliant behaviour in respect of the permitted activity rules.

10 Monitoring, evaluation and review

82. A monitoring and evaluation plan is being developed with MfE, councils, foresters and other government agencies. For permitted activity monitoring, the aim is to establish a coordinated and structured process to establish priorities for monitoring and a consistent approach to monitoring and monitoring charges. Access to information collected through monitoring, such as typical areas and potential drivers for non-compliance, will be a key input to assessing and improving implementation of the NES-PF and the effectiveness of the regulations in maintaining or improving environmental outcome for plantation forestry. This information will be included in the wider review of the NES-PF, the first of which is to occur in 2020 with subsequent reviews every five years.
83. In addition, MPI intends to monitor implementation of charges for permitted activity monitoring by councils including the actual level and type of charges set by councils. The results of this review will be reported back to Cabinet in one year from the date the NES-PF takes effect.



APPENDIX ONE

Examples of Permitted Activities for which councils could fix charges for monitoring

General Description of activities the NES will apply to	General Focus for Permitted Activity Requirements
Main Forestry Activity	
<p>Afforestation Planting and growing new forestry on land not recently used for this purpose</p>	<p>Measures include those required:</p> <ul style="list-style-type: none"> • to control wilding conifers; • protection of significant natural areas and outstanding natural features and landscapes; and setbacks.
<p>Pruning and thinning to waste Selective trimming or felling of trees with waste remaining on site</p>	<p>Measures relating to managing slash.</p>
<p>Earthworks Ground disturbance in the plantation forest to move or remove soil and rock for constructing forestry roads, tracks and landings, and upgrading and maintenance work.</p>	<p>Measures include those required:</p> <ul style="list-style-type: none"> • to manage and control discharges of sediment; • to manage how fill and spoil is deposited • to control erosion; • to manage run-off; and • to protect setbacks.
<p>River Crossings Structures in the plantation forest, and the approaches to them, that allow vehicles or machinery to cross water bodies.</p>	<p>Measures include those to manage:</p> <ul style="list-style-type: none"> • the design, placement and maintenance of river crossing structures; • contaminant discharges from the construction, maintenance or removal of river crossings; • the effects of structures on downstream users and for the passage of fish; and • erosion and sediment discharge during use.
<p>Forestry Quarrying Extraction, processing and stockpiling of material within a plantation forest that is required to form roads, tracks or landings within forests.</p>	<p>Measures include those to:</p> <ul style="list-style-type: none"> • manage visual effects; • protect setbacks; • manage fill or spoil; and • manage sediment discharges, stormwater and erosion.



General Description of activities the NES will apply to	General Focus for Permitted Activity Requirements
<p>Harvesting Felling and extracting trees for sale or production and the processing or loading of logs for delivery to processing plants</p>	<p>Measures include those to:</p> <ul style="list-style-type: none"> • manage and control sediment; • plan for harvesting; • protect setbacks; • disturb the ground or margins of waterbodies and the coastal marine area; and • manage slash and debris.
<p>Mechanical land preparation Modifying land within a plantation forest to prepare for planting trees. This includes the use of machinery for removing roots, clearing slash, vegetation clearance between planting rotations, and mounding the soil into raised areas.</p>	<p>Measures include those to:</p> <ul style="list-style-type: none"> • specify methods that can be used; • manage and control sediment; and • protect setbacks.
<p>Replanting Planting and growing forestry after harvesting.</p>	<p>Measures include those to:</p> <ul style="list-style-type: none"> • protect setbacks; and • control wilding conifers.
General Matters	
<p>Slash traps Traps in water bodies preventing slash being mobilised by water e.g. during rain events.</p>	<p>Measures include those:</p> <ul style="list-style-type: none"> • for the design, placement and maintenance of slash traps; • to manage effects on downstream users and for the passage of fish; • to manage contaminant discharges from the construction, maintenance or removal of slash traps; and • to manage sediment discharges.
<p>Vegetation clearance and disturbance including of indigenous vegetation during forestry activities</p>	<p>Measures include various conditions intended to limit vegetation clearance to incidental damage, clearance for maintenance purposes, and a size of land area as a threshold.</p>
<p>Discharges, disturbance and diversion of water during forestry activities</p>	<p>Measures to protect spawning fish, and the steps or threshold for discharges, disturbances and diversion occurring during the main forestry activities managed under the NES-PF.</p>
<p>Noise</p>	<p>Noise limits associated with plantation forestry activities managed under the NES-PF.</p>
<p>Dust</p>	<p>Preventing dust associated with plantation forestry activities being noxious, objectionable or offensive outside that forest.</p>



General Description of activities the NES will apply to	General Focus for Permitted Activity Requirements
Indigenous bird nesting	Measures requiring that procedures be in place to recognise, confirm and protect classes of threatened bird species when present.
Fuel storage and refuelling	Measures to prevent fuel used or stored for plantation forestry activities from entering waterbodies, or land where it can enter water.



APPENDIX TWO

STAGE ONE COST RECOVERY IMPACT STATEMENT

ENABLING COUNCILS TO CHARGE FOR MONITORING PERMITTED ACTIVITIES UNDER THE NATIONAL ENVIRONMENTAL STANDARDS FOR PLANTATION FORESTRY

Status quo

1. Councils have no clearly defined mechanism (or pathway) with which to charge foresters, for monitoring their compliance with the permitted activity conditions in the National Environmental Standard for Plantation Forestry (NES-PF), as the beneficiary of the forest resource and the manager of the site, and its attendant environmental risks. This proposal would allow the NES-PF to empower councils to set charges, using well-established criteria and processes in the Resource Management Act 1991 (RMA) and Local Government Act 2002 (LGA).
2. Councils play a critical role in monitoring environmental performance. Councils that can recover the costs of monitoring compliance with permitted activities will be more likely to carry out effective monitoring programmes that will assist in assessing the effectiveness of the NES-PF and its implementation. In addition, such charges will add to incentives for foresters (particularly those less familiar and experienced in forestry best practices) to comply with the permitted activities condition that have been specifically designed to avoid, remedy and mitigate the specific adverse environmental effects of those activities.
3. Government has determined that an NES-PF is to be promulgated to provide a nationally consistent set of regulations for plantation forestry, thereby removing unwarranted variation in existing council plan rules that creates inconsistent environmental outcomes and operational uncertainty and inefficiencies for foresters, undermining potential investment in the sector. Once in effect, councils will have increased permitted activity monitoring costs but will no longer have discretion over requiring a consent for the activity (and therefore the ability to charge for monitoring compliance). In addition, Parliament has expressed its preference that councils can charge for monitoring permitted activities when specified in an NES (through a recent amendment to the RMA).
4. The Minister for the Environment and the Associate Minister for Primary Industries have directed officials to prepare a paper for Cabinet proposing that Ministers approve the inclusion of an empowering regulation in the NES-PF to enable councils to make charges to recover costs associated with monitoring permitted activities. The policy rationale for this decision is to:
 - Ensure that councils can consistently and adequately monitor compliance;
 - Remove the need for councils to pass on the cost of monitoring compliance to ratepayers; and
 - Ensure foresters comply with permitted activity conditions that are designed to appropriately manage the environmental risks associated with plantation forestry activities.
5. If approved, at the same Cabinet Committee meeting (26 July 2017), the Minister for the Environment, with support from the Associate Minister for Primary Industries, will recommend the making of the NES-PF.



6. A recent amendment to the RMA (section 43A (8)) provides that an NES can empower councils to make charges for monitoring permitted activities in that NES.
7. The regulation to empower councils to set a new fee for monitoring permitted activities is provided for under RMA (section 36 (1) (cc)), which was recently introduced through the Resource Legislation Amendment Act 2017.
8. The criteria and process for establishing similar charges is already well established as it already applies for charges for monitoring consented activities. This proposal does not establish any fees or charges – it merely empowers councils to do so, if they choose to. Not all councils currently charge for monitoring consented activities.
9. A new charging mechanism, provided for by the Resource Legislation Amendment Act 2017.

Policy rationale: Why a user charge? And what type is most appropriate?

10. This proposal is associated with empowering councils to recover the fair and reasonable costs associated with monitoring permitted activities undertaken by foresters. Foresters derive benefit from being able to operate under a permitted activity regime, and there is an associated obligation that they are to meet conditions that avoid, remedy or mitigate adverse environmental effects. Monitoring is part of this obligation.
11. The activity output is a private good.
12. This proposal provides councils with an opportunity to charge the reasonable cost of monitoring permitted activities in accord with the criteria and process under the RMA and LGA. The level and nature of the charge (full or partial recovery), and whether such charges are imposed, is at the discretion of councils.
13. Councils will determine the type of charge proposed in accord with legislative requirements, and their standard fees and charges principles and policies, and their anticipated monitoring programme. They will need to consider any revenue already received through general rates, the service currently provided to land owners on a free or financially supported basis and the utility and fairness of charging for activities with relatively minor adverse effects.
14. Permitted activity monitoring charges will be incurred by foresters that require monitoring based on the level of environmental risk associated with their activities and the level of risk posed by the particular forestry operation. An independent assessment of costs derived from councils and larger foresters suggest an estimated increase in costs of around 15 percent.
 - Annually this increased cost is estimated to be \$48 000 for regional and unitary authorities, and \$18 000 for district councils, and, in the first year, \$19 000 for larger scale foresters and \$9 000 for smaller scale foresters. These are indicative and will vary across regions.
 - However, these costs will be offset by benefits from greater certainty of investment, and reduced advocacy and plan development costs estimated as providing savings in the order of, per annum, \$128 000 for regional and unitary councils, and \$112 500 for district councils, and, in the first year, in the order of \$384 000 rising to \$479 000 by year 5 for larger scale foresters. There would also be significant savings for smaller scale foresters, NGOs and government agencies.



Regulatory Impact Analysis: Cost Recovery Impact Statement - Overview

HIGH LEVEL COST RECOVERY MODEL (THE LEVEL OF THE PROPOSED FEE AND ITS COST COMPONENTS)

15. This proposal is not establishing charges – merely empowering councils to do so if they choose to do so.

Consultation

16. Public consultation occurred over four weeks in May/June 2017. Direct notification of consultation was provided to those who made unique (rather than form) submissions on the activity based indicative NES-PF proposal in 2015, as well as to all iwi authorities. In addition, public notices were placed in major daily newspapers.

17. Feedback on the use of the provision was mixed. Councils and environmental NGOs were supportive as the provision addresses a major concern over funding raised by councils during the 2015 consultation. Foresters opposed the provision on the basis of potential inequity with other sectors, uncertainty regarding costs, and inadequate council monitoring plans.

18. No further consultation is required. An implementation programme is being developed that aims to provide targeted communications, and overarching and technical guidance and support to councils and foresters to ensure they understand and can implement their own obligations under the NES-PF