



Submission

- to -

Chief Executive
Kaipara District
Private Bag 1001
Dargaville 0340
Northland

Email: council@kaipara.govt.nz

Kaipara District: Draft Long Term Plan 2012-22: Forest Land Use Rate

New Zealand Forest Owners Association Inc

Level 9, 93 The Terrace
Wellington 6143
Tel 04 473 4769 Fax 04 499 8893

www.nzfoa.org.nz

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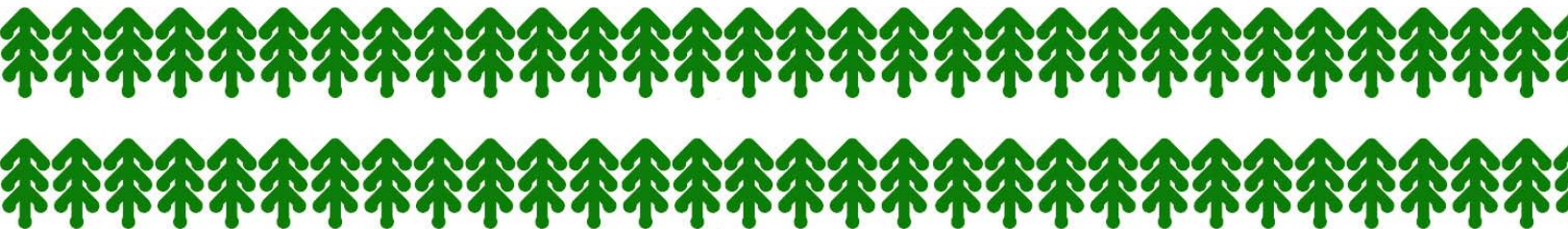


TABLE OF CONTENTS

1. Introduction	3
2. Submission.....	3

1. Introduction

This submission to the Kaipara District Council on the Draft Long Term Plan 2012-22 Forest Land Use Rate is made by the NZ Forest Owners Association (FOA) on behalf of our members in the Kaipara District.

The FOA represents the commercial plantation forest growing sector of New Zealand. FOA represents over 230 members with ownership over some 1.2 million ha of plantation forests. These estates comprise around 70% of the total forest growing sector in New Zealand and comprise small owners represented individually or through affiliation with the NZ Farm Forestry Association (NZFFA) with 2,500 members, through to major corporate and timberland investment interests.

The FOA welcomes the opportunity to make these submissions and is willing to meet with the Council and/or provide additional information as required.

The FOA opposes the proposal that owners of land categorised as forestry pay 14 times the residential rate as we consider this does not reflect the costs of road usage associated with forestry land use.

2. Submission

FOA supports the intent of the Council to develop a fairer rating system to more closely match the level of rates paid by a ratepayer to the benefits provided from each activity, provided this process is undertaken transparently, fairly across all land use sectors and is introduced over a suitable time period.

However, FOA opposes the introduction of the new forestry land use rate as it is proposed. We are not confident of the detail of the workings or the logic behind the assumptions of the analysis that underpins the proposed rate.

Initially, from our analysis to date we have the following concerns:

- The data for total volume of harvest in the Kaipara District has been taken from the FOA New Zealand Production Forestry Facts and Figures 2010-11. The figures for the Northland Wood Supply Region in that publication are derived from MAF figures. These figures reflect potential wood supply and are only indicative of actual harvest. Actual harvest is dependent upon social and economic factors and will nearly always be less than potential harvest. The actual harvest in the Kaipara District will be less than has been forecast using the wood supply data. Not all planted forest is commercially harvested.

- A significant proportion of forest plantings in Northland is comprised of woodlots on farms. We understand that the determination of whether a property is assigned to 'forestry' is based on primary land use as determined by QV. Forest production from woodlots, on land rated as dairy, or sheep and beef, is included in the forestry production figures, but the rates from this land are not included in the rates total for forest land. This skews any assessment that forestry is not paying its way by apportioning the inflated forestry production figures over an under-represented forestry land use base (forestry rates contribution).
- Using straight tonnage as an indication of road use for primary industries is flawed. Analysis by others concluded that dairy farming generates a higher proportion of vehicle movements per tonnage of product transported than forestry, due to the method of tankers driving to numerous farms accumulating milk as they go. By comparison log trucks drive directly to a forest unloaded, load up and depart fully loaded by the shortest route. This is not taken into account using a straight tonnage of product.

When calculating vehicle movements from farming land use, farm heavy traffic such as cattle movements, fertiliser and fuel deliveries should be included in addition to milk transport.

- The Council is proposing to allocate the full cost of roading to the primary industry using the roads. Therefore the same philosophy should apply to all of the Council's services. Arguably the only demand forestry makes on the District Council's services is roading. If the Councils are proposing a system that the industry bears the full cost of roading, then consequently they should remove all other cost from the 'General Rate forestry' for activities that forestry neither benefits nor contributes to. Forests do not use libraries, water treatment plants, parks, etc. It is significant that an area of forest contributes to rates for an average period of 25-32 years, with very little demand on District Council services. There is a valid expectation at harvest time that while current rates maybe be insufficient for roading, that past rates payments for little service must be taken into account.

In addition forests provide many free benefits to the community that other land uses do not. Pouto Forest, for example, was primarily planted as a protection forest. Individual attempts by landowners to stop loss of land to encroaching dunes had been completely unsuccessful. Pouto Forest has stabilised the sand dunes, preventing loss of land. This is an ongoing benefit to the region.

Forests in general enhance water quality, soil stability and are extensively used by the local community for recreation. Forests traditionally provide more of these non-commercial community benefits than any other land use.

- We request the Council gives consideration to the proposed level of increase. The proposal to rate forest owners at 14 times the residential rate will cause a significant increase in cost. An increase of this magnitude could be financially crippling for some forest owners / organisations and could encourage land use change to alternatives that are environmentally and socially more challenging.

- The issue of Maori owned land - quite significant areas of forestry rights are in the process of being harvested and returned to Maori ownership. The increased rate burden could be potentially crippling for Maori owners.

Given the proposed increase in rates to forest landowners is significant we urge the Council to delay introduction in the new rating system until the issues discussed above have been resolved and forestry ratepayers have been provided sufficient information so that we can assess and ensure there are not fundamental errors in assumptions and calculations materially affecting the rating proposal.

We also suggest a phase in period for any rate increase/change, in recognition that forest landowners have contributed rates for many years through the growing phase of first rotation forests with minimal call on the Council's services.

FOA wishes to be heard in support of this submission.



Glen Mackie
Snr Policy Analyst