



## **Proposed Cost Recovery for the Registration of Log Traders and Forestry Advisers**

We would like to hear your views on the proposals in the consultation document: *Cost Recovery for the Registration of Log Traders and Forestry Advisers*.

Please feel free to use this template to prepare your submission. Once complete, either email your submission to [costrecovery@mpi.govt.nz](mailto:costrecovery@mpi.govt.nz), or mail it to:

*Consultation: Cost Recovery for the Registration of Log Traders and Forestry Advisers*  
Cost Recovery Directorate  
Ministry for Primary Industries  
PO Box 2526  
Wellington 6104

Please make sure you include your name and title, postal address, phone number, and email address.

For more information about making a submission, please refer to section 2 of the discussion document.

### **Privacy Act 1993**

Where you provide personal information in this consultation, MPI will collect the information and only use it for the purposes of the consultation. Under the Privacy Act 1993 you have the right to request access and correction of any personal information MPI holds on you.

### **Official Information Act 1982**

All submissions are subject to the Official Information Act 1982 and may be released (along with the personal details of the submitter) under the Act. If you have specific reasons for wanting to have your submission or personal details withheld, please set these out in your submission. MPI will consider those reasons when making any assessment for the release of submissions if requested under the Official Information Act.

## Contact details

Name:	Glen Mackie
Title:	Technical Manager
Postal address:	ForestWood Centre Level 9, 93 The Terrace Wellington 6143 PO Box: 10986
Phone number:	027 445 0116
Email address:	Glen.mackie@nzfoa.org.nz

## Are you submitting:

### - as an individual?

Yes  No

In which region are you located?

<input type="checkbox"/> Northland	<input type="checkbox"/> Auckland	<input type="checkbox"/> Waikato
<input type="checkbox"/> Bay of Plenty	<input type="checkbox"/> Gisborne	<input type="checkbox"/> Hawke's Bay
<input type="checkbox"/> Taranaki	<input type="checkbox"/> Manawatu-Wanganui	<input type="checkbox"/> Wellington
<input type="checkbox"/> Marlborough	<input type="checkbox"/> Tasman-Nelson	<input type="checkbox"/> West Coast
<input type="checkbox"/> Canterbury	<input type="checkbox"/> Otago	<input type="checkbox"/> Southland

### - as a business?

Yes  No

What is the name of your business?

How many people work in your business (full time/ part time)?  
(including owner-operators)

<input type="checkbox"/> 0 - 5	<input type="checkbox"/> 6 - 9	<input type="checkbox"/> 10 - 19
<input type="checkbox"/> 20 - 49	<input type="checkbox"/> 50 - 99	<input type="checkbox"/> 100+

In which region(s) do you operate?

<input type="checkbox"/> Northland	<input type="checkbox"/> Auckland	<input type="checkbox"/> Waikato
<input type="checkbox"/> Bay of Plenty	<input type="checkbox"/> Gisborne	<input type="checkbox"/> Hawke's Bay
<input type="checkbox"/> Taranaki	<input type="checkbox"/> Manawatu-Wanganui	<input type="checkbox"/> Wellington
<input type="checkbox"/> Marlborough	<input type="checkbox"/> Tasman-Nelson	<input type="checkbox"/> West Coast
<input type="checkbox"/> Canterbury	<input type="checkbox"/> Otago	<input type="checkbox"/> Southland

### - on behalf of an organisation?

Yes  No

What is the name of your organisation?

Forest Owners Association

How many members do you represent?

100+  
The New Zealand Forest Owners Association Incorporated (FOA) is the representative membership body for the commercial plantation forest growing industry. FOA members are responsible for the management of approximately 1.2 million hectares of New Zealand's plantation forests and over 75% of the annual harvest.

## Questions for submitters

# COST RECOVERY FOR THE REGISTRATION OF LOG TRADERS AND FORESTRY ADVISERS

1. Do you consider that a direct charge fee is the most appropriate way to charge for registration?

**No**

2. What are the reasons for your answer to 1 above?

The Government should pick up a significant portion of the costs for the first registration period. It is unknown exactly what the system requires or will deliver as it goes through set up and shakedown. Exactly what the benefits to the industry are / will be are unknown – definitely unproven.

3. Do you agree that the proposed five-year registration fee should be set at \$444, and \$40 for each required criminal conviction check? (Please circle)

*Agree*

***Disagree***

*No Opinion*

4. What are the reasons for your answer to 3 above?

All or a significant portion picked up by Government for first 5yr period for reasons stated above. For subsequent 5yr periods costs and benefits will be known so a registration fee met by the Trader / Advisor would be appropriate. Fees (costs) should be associated with those that benefit. Forest owners did not ask for this system. Beneficiaries include government, wood processors and log exporters. All should contribute to meet the costs of the system.

5. Do you agree that an annual levy is the most appropriate approach to recover the forecast costs of services required to maintain the registration system on an ongoing basis? (Please circle)

***Agree***

*Disagree*

*No Opinion*

6. What are the reasons for your answer to 5 above?

Agree – with following modification.  
First year picked up by Government. It is unknown exactly what the system requires or will deliver as it goes through set up and shakedown. Exactly what the benefits to the industry are / will be are unknown – definitely unproven.

Second and subsequent years a fee would be appropriate. Better knowledge of actual costs on

which to base a levy. All beneficiaries to the system should be identified and a system for them to also contribute worked out. This could be via a government contribution (see question 9).

7. Do you agree that the proposed \$320 annual levy should be charged annually starting from the 2023/24 year? (Please circle)

*Agree*

*Disagree*

*No Opinion*

8. What are the reasons for your answer to 7 above?

The proposed annual levy should be charged annually starting from the 2024/25 year. This will allow the system to demonstrate any benefits to the industry, before the industry must pay. Costs and therefore the levy will be able to be calculated on actual not forecast costs.

9. Do you have any comments around MPI's assessment around the four cost recovery principles, particularly Transparency and Justifiability?

Equity: You state that log traders and forestry advisors are the main beneficiaries. This is not correct – they have not asked for or requested this system.

The proposed benefits of the Bill (as stated in the Bill documentation) state that some of the purposes of the Bill are to:

- support the continuous, predictable, and long-term supply of timber, and equity of access to timber, for domestic processing and export; and
- support a more transparent and open market for log sales through the provision of professional advice; and
- improve the confidence and informed participation of businesses and investors in the forestry sector; and
- contribute to improved economic, employment, and environmental outcomes from the forestry and wood-processing sector, nationally and for local communities;

These benefits are much wider than just to log traders and forestry advisors and are the drivers behind this legislation. Other beneficiaries such as government, wood processors etc should therefore also contribute to costs.

A company or individual that owns their own forests and sells their logs directly to a domestic or overseas customer with no third party involvement in the transaction should not have to pay fees.

If people /companies in this category are forced to pay fees it becomes an unnecessary layer of bureaucracy and cost to the person/company.

10. Do you have any information about the size of businesses and other entities that will be required to register (small, medium, large)?

Unknown

11. Please describe any impact the proposed registration fee might have on you and/or your business/organisation. Quantify this if possible.

Added complexity:

- An example is the requirement for a forest owner to participate in the system if they supply logs to themselves. An unnecessary requirement.
- Staff turn-over and requirement for coverage.

Small Forest Owners can have extremely small margins. The levy cost itself is minor, however, the additional complexities are likely to add additional costs that have to be met from limited surplus/non-committed funds.

12. Please describe any impact the proposed annual levy might have on you and/or your business/organisation. Quantify this if possible.

Unknown. The number of Advisors/Traders individual organisations will require is unknown.

13. Are there any other issues associated with the proposed registration fee or annual levy that you think Te Uru Rākau – New Zealand Forest Service should be aware of?

Keep the administration system simple.