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Government to sacrifice forestry property rights - again?

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Environment Minister Marian Hobbs aims to strip farmers and foresters in the Lake Taupo catchment area of their property rights and property values - without compensation - in a scheme to save the lake from nitrogen run-off.

Outlining her scheme to the Cabinet Policy Committee, Hobbs said: "Due to the sensitive nature of the expected negotiations, I recommend that only general statements of support... be made at this time."

The government is expected to release a sanitised discussion paper on the subject next month.

Behind the scenes Hobbs, in conjunction with Environment Waikato, has conjured up a plan to cut the current flow of nitrates into Lake Taupo by 20%. The aim is to save the lake from the algal blooms now threatening Lake Rotoiti.

Armed with a new regional plan, Environment Waikato would use the Resource Management Act to ensure nitrate run-off from dairy and sheep farms doesn't exceed present levels. This cap would curtail the productive capacity - and, thus, the value - of the farmers' land.

Farmers commissioned a consultant's report which estimated Hobbs' scheme would cut the value of farm land in the catchment by as much as \$160 million - a figure Hobbs disputes.

Hobbs proposed to Cabinet that the farmers should not be compensated.

Foresters - which don't really contribute to the nitrate problem - would be barred from converting their forests to farm land. This restriction would reduce the value of their land - also without compensation.

Ratepayers in the area - including foresters - would contribute to a fund used to subsidise farmers converting their land to forestry.

Foresters are being clobbered from all sides. Under the Resource Management Act the general rule is that the polluter pays.

Here, the non-polluting foresters will not only lose the freedom to do what they wish with their own land, but their land value will be cut. Then their rate money will be used to subsidise farmers to become their competitors in the forestry sector.

All this comes after the government took to itself the carbon credits due to the foresters under the Kyoto accord.

Fertilisers spread on farms over the past 30 years, dung and urine from animals and urban sewage waste are the main sources of Lake Taupo's nitrogen problem.

Already reeling from Pete Hodgson's fart tax, embattled farmers are referring to Hobb's scheme as the "piss tax."

Farming and forestry sector representatives were given separate briefings on the government's Lake Taupo clean-up plan in Wairakei last month.

Forestry sector representatives in particular came away shell-shocked from their meeting with Hobbs and Agriculture/Forestry Minister Jim Sutton.

As environmentally-friendly land users they were told they should forget about returning their forests to farming in the future.

In her Cabinet paper Hobbs said: "The biggest cost of the policy package is likely to be the loss of private capital value across all pastoral farms in the catchment as a result of a nitrogen-capping rule in the regional plan.

"This may be in the order of several hundred thousand dollars for a typical sheep and beef farm.

"I do not think that compensation should be provided for this loss as farmers are the main cause of the water quality problem, albeit unintentionally."

Hobbs and Sutton told foresters and farmers that central government, the Taupo District Council and Environment Waikato plan to contribute public money to achieve the 20% nitrogen reduction target by assisting catchment landowners to make the move to a permanent nitrogen capping regime.

The proposal involves the use of some of this money as an incentive to encourage land owners to convert 13,500 hectares of existing pastoral land into forestry.

Farmers expect government-controlled Landcorp holdings to play a leadership role in implementing the afforestation proposals.

Hobbs told forest owner representatives they could forget about converting their forests back into farming.

She is encouraging sheep farmers to convert their land to forestry while the six dairy farmers operating in the Taupo catchment area were told their continued existence would, at best, be tolerated.

The annual amount of nitrogen leached from each farming property in the catchment will not be able to exceed the average annual amount - at the date of notification of the proposed new plan.

Hobbs' preliminary planning has involved consultation with Environment Waikato, Taupo District Council, the Tuwharetoa Maori Trust Board and the Taupo Lake Care Farmer Group.

Foresters are particularly miffed because they have not been invited to participate in the frequently behind-closed-doors consultation process over the past three years.

Hobbs says the proposed fund will be used to:

- buy private land and on-sell it with covenants limiting nitrogen run-off; and
- encourage afforestation on private Crown and Maori land.

Tuwharetoa, the owners of the Taupo lake bed, have extensive forestry and farming interests in the catchment area.

Unlike the foresters, Tuwharetoa have been kept in the loop by government. Hobbs told Cabinet: 'Tuwharetoa, through the trust board, has maintained a close liaison with ministers, senior officials and local government.

"Officials have also met with the Maori economic authorities to discuss how government might assist Maori landowners to convert to low nitrogen land uses.

"I see the potential for a win-win for both Maori and environmental objectives through a meaningful partnership with the Tuwharetoa Maori Trust Board and ongoing discussions with the Maori landowners."