

Form 33
Notice of person's wish to be party to proceedings ENV-2020-CHC-74

[Section 274](#), Resource Management Act 1991

June 8, 2020

To The Registrar
Environment Court
Christchurch

1. I wish to be party to proceedings regarding the Proposed Marlborough Environment Plan (PMEP) Between Marine Farming Association Incorporated, Aquaculture New Zealand (MFA&AQNZ), and Marlborough District Council (MDC)
2. The particular issue raised by the appellants that I would like to be party too is that of Coastal Occupancy Charges (COC's) . I have written and presented submissions on this subject at the relevant preceding PMEP hearing.
3. Consistent with my earlier submission (Appendix 1), I am generally in support of the COC provisions provided that they are transparent and equitable as the MFA&AQNZ appeal likewise indicates.
4. I also support the MFA&AQNZ appeal in that the quantum (or formula for assessing quantum) of COC's should be set out in the MEP rather than the Annual Plan. And that
5. However, I oppose the MFA&AQNZ appeal in relation to how the COC's should be calculated. While the Boffa Miskell (1999) methodology is considered transparent and equitable the methodology and charges proposed by the Executive Finesse report (2013) are not. The relief sought by MFA&AQNZ at Policy 13.19.10 & 13.19.11 are therefore both opposed.

Brent Yardley: bfyardley@gmail.com

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Appendix 1

Marlborough Resource Management Regulations 2003

Form 5 Submission on publically notified proposal for policy statement or plan, change or variation

Clause 6 of Schedule 1, Resource Management Act 1991

To Marlborough District Council

Submitter Name: Brent Yardley

Date: 1/09/2016

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Submitter Number: 257

I wish to be heard in support of my submission.

If others make a similar submission, I will consider presenting a joint case with them at a hearing.

Resource Management Plan

- I could not gain an advantage in trade competition through this submission.
- I am not directly affected by an effect of the subject matter of the submission that-
 - (a) adversely affects the environment; and
 - (b) does not relate to trade competition or the effects of trade competition

Submission Point: 258.1

The specific provisions of the proposal that my submission relates to are:

Volume: Volume 1

Chapter: 5 Allocation of Public Resources

Provision: Policy 5.10.4

I Support in Part the specified provisions

My submission is:

Policy 5.10.4 is supported provided that the eventual charging regime is equitable and transparent and the money raised is well spent.

The proposed charging regime does have equitably and transparency issues that need to be resolved before coastal occupation charges can be administered.

Ensuring that the money raised is well spent likewise needs more attention.

I seek the following decision from the local authority:

Policy 5.10.4 is supported without amendment provided that the equitability and transparency issues of policies 5.10.5, 5.10.7 are addressed and policy 5.10.8 is clarified.

Submission Point: 258.2

The specific provisions of the proposal that my submission relates to are:

Volume: Volume 1

Chapter: 5 Allocation of Public Resources

Provision: Policy 5.10.5

I Oppose the specified provisions

My submission is:

Policy 5.10.5 (e) unfairly waives charges to commercial marinas.

Privately owned pleasure boats occupying marina berths behind locked gates is clearly exclusive private use of public space. Waiving charges to those occupations surely cannot be considered equitable.

It seems the implications of RMA section 384A are somewhat unclear as Policy 5.10.5 later states: "The RMA appears to exempt these resource consents from attracting coastal occupancy charges". If we are not sure that the RMA exempts marina consents how can we waive some 1300 privately occupied marina berths from paying charges?

I seek the following decision from the local authority:

That Policy 5.10.5 (e) be removed or edited so that marinas are not waived from paying coastal occupation charges.

Submission Point: 258.3

The specific provisions of the proposal that my submission relates to are:

Volume: Volume 1

Chapter: 5 Allocation of Public Resources

Provision: Policy 5.10.7

I Oppose the specified provisions

My submission is:

Policy 5.10.7 is incomplete with regard to calculation of the charges.

Having read the consultation document's proposed charges it is apparent that commercial interests are heavily discounted. Private jetties, for example, are proposed to be charged \$1 or so per square meter per annum while mussel farms are to be charged about 1 cent per square meter. When the public vs private benefit analysis is considered the discrepancy is even greater because the mussel farm is considered to have a higher net private benefit value and so should be paying more and not less than a private jetty. One one-hundredth is a big discount.

Several submissions to the consultation document raised issues about the calculation of charges but there is nothing to say they have been addressed. If policy 5.10.7 can be amended to include the calculation method for the charges people can decide for themselves whether or not the calculation of charges is equitable. I, for one, do not believe that it is.

I seek the following decision from the local authority:

That Policy 5.10.7 be amended to specify how the coastal occupation charges are to be calculated.

Submission Point: 258.4

The specific provisions of the proposal that my submission relates to are:

Volume: Volume 1

Chapter: 5 Allocation of Public Resources

Provision: Policy 5.10.8

I Support in Part the specified provisions

My submission is:

Policy 5.10.8 contains insufficient detail with regard to how CMA sustainable management issues will be identified and addressed and who will be involved.

It is well understood that the CMA is under considerable and growing pressure. My view is that effective community involvement and stakeholder cooperation is key to promoting sustainable management of the CMA. For this reason I believe that stakeholder groups should be represented in the formal management and coordination of how funds raised from coastal occupation charges are best spent to promote sustainable management of the CMA.

As a resident of Queen Charlotte Sound I support the Queen Charlotte Sound Residents Association to represent my interests.

Similarly, I support the inclusion of other such groups.

My greatest concern is that the funds raised will simply be wasted and the opportunity to greatly improve the sustainable management of the CMA will be lost.

I seek the following decision from the local authority:

That Policy 5.10.8 be amended to include stakeholder group representation in the formal management of funds raised by coastal occupation charges for promoting sustainable management of the CMA.

Appendix 2

Submission Notes

Marlborough Environment Plan

Chapter 5: Allocation of Public Resources

Brent Yardley

11 December 2018

Introduction

1. My name is Brent Yardley. I'm a marine and environmental engineer and a member of Queen Charlotte Sounds Residents Association. In consultation with the association, and in support their submission, I agreed to provide a 'nuts and bolts' engineers assessment of the MEP's COC provisions.
2. This submission covers four policy points of the MEP COC provisions.
 - 5.10.4 – Charges – are supported is conditionally
 - 5.10.5 – Waivers - are opposed in part with brief comments
 - 5.10.7 – Level of charges - are opposed and covered in some detail
 - 5.10.8 – Spending - is supported in part with some suggestions made

Policy 5.10.4 – Charges

Support for Occupation Charges

3. Charges are supported because they are likely to benefit the coastal marine area. It is considered that establishing a dedicated sustainable management fund would help develop initiatives might best promote effective, sustainable management of the area.

Issues With MEP Provisions

4. Support for Policy 5.10.4 is conditional. To quote the 2014 report: "Council wanted to ensure the charges were efficient, equitable, transparent and certain."¹ Achieving these goals is important so that all stakeholders can have confidence in the integrity of the management structure and administration.

¹ Marlborough District Council, "Report for Public Consultation on Proposed Framework to Introduce Coastal Occupation Charges" (2014).

Policy 5.10.5 - Waivers

Waiving charges for large marinas is not equitable

5. Waiving marinas from paying charges is considered unfair on the basis that its marina berths are generally occupied privately and exclusively.
 - Marina occupations cover relatively large areas in prime spaces
 - Full-time boat storage
 - Many boats owned out of the area

Policy 5.10.7 – Level of Charges

6. The primary concern for residents is the level of charges that will be imposed. A number of issues have been raised regarding how MEP provisions relate to the requirements of the RMA and the fairness of proposed charges presented back in 2014. The following sections look at these issues and work through how the charges have been determined.

Charging Provisions

7. RMA Section 64A provides legislation for COC's that Council must follow. Council, in turn, provides for COC's in Chapter five of the MEP with Policy 5.10.7, in particular, providing for the level of charges.

RMA requires that charges be provided for in the MEP

8. Part four of Section 64A is clear that any occupation charge must be provided for in the MEP, stating:

(4) No coastal occupation charge may be imposed on any person occupying the coastal marine area unless the charge is provided for in the regional coastal plan.

- Regional Coastal Plan is considered to be part of the MEP

MEP indicates that provision for charges is to be spread across MEP and Annual Plans

9. The MEP aims to meet provisions set out in the RMA but indicates that charges will be set out across both the MEP and the Annual Plan. The Section 42A² report, prepared for these provisions, clarifies this, stating:

Consistent with section 64A(3)(c) of the RMA, the Council proposes a regime that sets out the broad framework to determining the manner in which the level of coastal occupancy charges have been determined in the coastal plan provisions but relies on the Annual Plan process to set the actual charges.

RMA requires the MEP to specify the manner in which charge will be determined

10. RMA Section 64A(3) states that the MEP must, after having regard to private vs public benefit, specify several requirements:

(3) Where the regional council considers that a coastal occupation charging regime should be included, the council must, after having regard to the matters set out in paragraphs (a) and (b) of subsection (1), specify in the regional coastal plan—

² Gimblett K and Donaldson D, "Section 42A Hearings Report" (2018).

64A(3)(c) is in regard to the level of charges:

(c) the level of charges to be paid or the manner in which the charge will be determined; and

11. Because the MEP does not specify the level of charges to be paid, it must: specify the manner in which the charges will be determined. As the level of charges is clearly a numerical value, it seems fair to expect a formula, or quantitative process, of some sort to determine how they are arrived at.

MEP states that charges have been determined without specifying how

12. Policy 5.10.7 sets out a broad explanation of how charges have been determined but provides no way to actually determine what the level of charges might be. The Executive Finesse report of 2013³ recommended that “Council outline the methodology of how the coastal occupancy charges will be determined in its Coastal Plan”, which is approximately what Policy 5.10.7 does:

Policy 5.1.7 – The manner in which the level of coastal occupancy charges has been determined is as follows:

- a) The expenditure related to the Council's role in the sustainable management of Marlborough's coastal marine area has been established;
- b) The anticipated exemptions and waivers from coastal occupancy charges has been considered;
- c) The beneficiaries and allocation of costs fairly and equitably amongst beneficiaries has been decided; and
- d) The appropriate charge for the differing occupations to recover costs has been determined.

13. The Policy merely states that the charges have been determined without specifying any qualitative or quantitative values that might aid their actual calculation.

³ Finesse E, *Coastal Occupancy Charges* (2013). Paragraph 53

Proposed Charges

14. Whilst not actually mentioned in the MEP, it is clear that it is the Executive Finesse charging regime that is intended for the Annual Plan. The MDC Consultation brochure⁴ presented the following proposed charges, earlier presented in the Executive Finesse report of January 2013⁵.

PROPOSED CHARGES	GST EXCL. PER ANNUM	
Moorings	\$55	
Jetties Stepped Charge (plus other occupancies if required)		
Up to 56m ²	\$55	
56 - 84m ²	\$100	
>84m ²	\$200	
Boatshed and Buildings		
Up to 84m ²	\$250	
> 84m ²	\$400	
Marine Farms	<u>Mussel (and other)</u>	<u>Fin Fish (x1.6)</u>
up to 4ha	\$600	\$960
4.1ha to 8ha	\$900	\$1,440
8.1ha to 16ha	\$1,200	\$1,920
16.1ha to 29ha	\$1,200 plus \$100 per ha above 16ha	\$1,920 plus \$160 per ha above 16ha
> 29.1 ha	\$2,500	\$4,000
(note at present fin fish farming does not exceed 16ha)		
Other (individual sites of occupation)		Maximum
Utility / Domestic services	\$60	\$500
Barge Site	\$400	\$900
Boat Ramp (private)	\$100	
Slipway	\$100	
Marina (private) up to 10 berths	\$400	
Marina (private) in excess of 10 berths	\$650	

Discrepancies in area-based charges seen as inequitable

15. A number of submissions have picked up on the large variation in the proposed charges. Some have commented that hectare rates quoted for aquaculture charges are indicative

⁴ Marlborough District Council, n 1.

⁵ Finesse, n 3.

of a discrepancy. Naturally, the hectare rates presented can be divided by 10,000 to arrive at the m² rate. Once converted to m² the discrepancy becomes obvious with aquaculture occupations paying no more than a few cents per m² and non-aquaculture occupations paying in terms of dollars per m².

- 4ha mussel farms pay \$0.015 per m²
- 16ha mussel farms pay only \$0.0075 per m²
- 56m² jetty is \$0.98 per m²
- 84 m² boatshed is \$1.19 per m²

Stepped and maximum charges distort levy and benefit larger occupations

16. Because the proposed charging schedule utilises stepped and maximum charges, the levies are distorted in a way that benefits larger occupations, effectively penalises small occupations. For example:

- Four marina berths = \$100 per berth
- Fourteen marina berths = \$46.43 per berth
- Forty marina berths = \$16.25 per berth
- Barge sites are similarly distorted. The Executive Finesse report states that barge sites attract a unit rate of \$10 per m² up to a maximum of \$900 (only 90m²). Therefore a 100m x 25m site would pay only about \$0.36 per m², or 3.6% the rate of the small site rate. Why there is an upper limit on charges but not on occupation size is unclear.

17. One point raised by the 1999 Boffa Miskell report is that it is “important that the imposition of charges is not at odds with achieving the desired sustainable management outcomes.”⁶ Discounting larger occupations does seem to be at odds with desired outcomes, and because of this, it may be better to calculate charges for each square meter of occupation.

⁶ Miskell B, “Coastal Occupancy Charges” (1999). Page 38

Proposed charges overlook Port Company occupations

18. Another anomaly in the proposed charges is that there is no provision for large wharves and marinas. Some of the occupations are apparently exempted RMA Section 384A but will presumably be liable for charges come 2026.

- How large wharves such as Shakespeare Bay's Waimahara wharf will be charged, if they are to be charged, is not detailed unless they are proposed to pay the >84m² rate of \$400.
- The large marinas of Havelock, Picton, and Waikawa, some 1300 berths, have no provision in the proposed charges unless they pay only the \$650 rate for marinas in excess of ten berths.
- The 250m floating dock that has been proposed for Shakespeare Bay (approximately 15,000M²) also has no obvious appropriate charge, unless it pays only the \$900 maximum rate for a barge site, \$0.06 per m² per year.

Determining Charges

19. Specifying a methodology for determining charges may not be difficult to provide in the MEP. The Section 42A report⁷ explains that, according to the supplementary paper furnished by Executive Finesse, the method by which the charges were calculated involved three broad steps:

⁷ Gimblett and Donaldson, n 2.

279. As explained in the supplementary paper, the method by which the charges are calculated involves the following steps:

1. Determine the expenditure for the sustainable management of the CMA that is to be recovered through the proposed charges;
2. Determine the allocation of required expenditure identified in Step 1 above between the beneficiaries of the expenditure (ratepayers and coastal occupiers)
3. Determine the actual charges for each occupation within the groupings of occupations, taking into account the size and nature of the occupations within each group

20. Whilst vague, it is somewhat logical that the charges can be calculated in these broad terms. If annual revenue sought is known, a weighting system established, and occupation types, numbers, and sizes are known, it ought to be straightforward to calculate the charges.

Sustainable Management Fund

21. The proposed funding regime is based on a set amount of funding allocated for sustainable management in the CMA. Executive Finesse⁸ derived the size of the fund from existing expenditure and proposed additional expenditure totalling \$1.04M at the time of the report.

⁸ Finesse, n 3.

Category	Existing CMA expenditure	Additional CMA Expenditure	Total proposed Expenditure for CMA
Environmental Science and Monitoring	\$245,508	\$473,728	\$719,236
Environmental Policy	\$142,869	\$71,435	\$214,304
Environmental Compliance and education	\$53,815	\$51,943	\$105,758
Total Expenditure	\$442,192	\$597,106	\$1,039,298

- Funding more than doubles
- Some time has elapsed since the report was published so the values would likely need updating.

New occupations should increase total revenue from COC's

22. The proposed regime makes no mention of how new occupations should affect charges. If additional charges incurred by new occupations do not increase total revenue from COC's the effect will be to discount the existing occupiers. Instead, new consents should add to the total COC revenue so that the sustainable management fund is increased.

- New occupations on the proposed or in the pipeline include a marina extension, large new mussel farms, additional salmon farms, a larger new wharf in the port, and a floating dock.

COC regime need not be a fixed proportion of sustainable management fund

23. Total revenue of the proposed COC regime is proposed to be a fixed 75% proportion of sustainable management fund. If implemented in this way it might have the undesirable effect of constraining the growth of the overall fund, slow down the funding process and impede sustainable management outcomes.

- If COC revenue is fixed at 75% of the budget, then the budget is fixed at COC revenue x 133%.
- 75% of the proposed total expenditure may, however, function as a practical starting point but should be independent of the overall sustainable management budget from thereon.

Options for additional sources of funding should be assessed

24. Additional funding sources could be accessed to increase revenue for the fund and further enhance sustainable management of the CMA. A prime example of this is the Environment Southland Marine Fee which generated \$1.67m from 87 cruise ship visits in the 2011/2012 season⁹. The Environment Southland fee is based upon registered tonnage of vessels, but other schemes levy a charge on individual tourists¹⁰. Stewart Island, for example, has a \$5 per person levy in place and has proposed to increase this to \$15. Clearly, there is potential to greatly increase the level of revenue collected for a sustainable management fund.

- Logging levy also suggested
- Should be possible to double fund size to at least \$2M

Nominal figure sufficient for the initial calculation of charges

⁹ Environment Southland, "Southland Cruise Ship Visits at a Glance" (2012).

¹⁰ Business M, "Financial Costs and Benefits of International Tourism" (2018).

25. As the original funding figure is now somewhat dated the amount will need to be updated. In any case, the revenue to be calculated for COC's can be treated as a variable and adjusted annually. For this reason, a nominal, ballpark figure will suffice for calculation.

- \$780,000 + inflation + new/increased occupations = \$1,000,000 nominal.

Assessing benefits for allocation of costs

26. While the COC regime is an area based equation by necessity, and could simply on the basis of the area used alone, additional considerations of public and private benefits need to be taken into account to satisfy the requirements of RMA 64A.

Net Private Benefit Assessment

27. The 1999 Boffa Miskell report¹¹ presented a thorough analysis of the coastal occupation charging provisions of the RMA and developed a quantitative method to assess public and private benefits. The system first rates the level of private gain from the occupation and equates this with the level of benefits gained and lost by the public as a result of the occupation. The result is a Net Private Benefit rating with more exclusive occupations with higher private benefits scoring higher. The system is intended to function as a relative benefit weighting to satisfy RMA sections 64A(1) and 64A(3) which both require the council to have regard to public vs private benefits. The Boffa Miskell analysis is considered robust and is supported by the Executive Finesse report also which states "The analysis carried out by Boffa Miskell Limited is well documented and based on sound rationale"¹².

¹¹ Miskell, n 6.

¹² Finesse, n 3. Paragraph 16

Adapted from Boffa Miskell (1999):

NET PRIVATE BENEFIT ASSESSMENT				
Occupation	Private Benefit	Public Benefit Gained	Public Benefit Lost	Net Private Benefit
Jetty/wharf (public)	1	5	-2	-2
Boat Ramp (public)	1	5	-2	-2
Utility	1	1	-2	2
Jetty/wharf (private)	4	4	-3	3
Marine farm (subsurface)	4	3	-3	4
Marina	5	4	-4	5
[Mussel farm]	4	3	-4	5
Mooring	5	2	-3	6
Domestic services	5	1	-2	6
Boat Ramp (private)	5	1	-3	7
Salmon farm	5	2	-5	8
Boat shed	5	1	-5	9

- The system has the benefit of also addressing eligibility for waivers. Where Net Private Benefit rating is less than one a waiver is naturally in order.
- The ratings can also be contested to better reflect the characteristics of individual occupations.

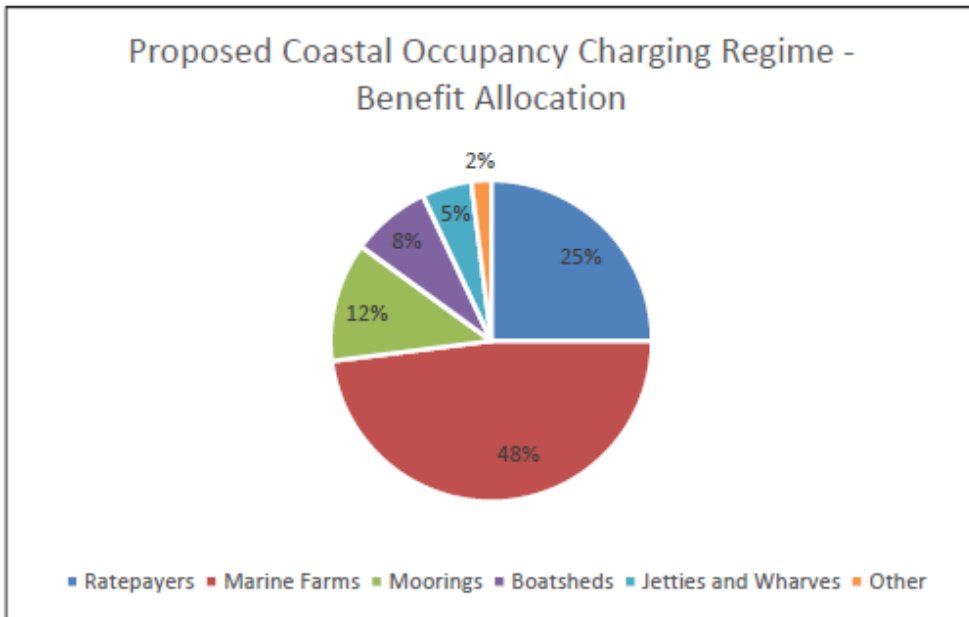
Benefit Allocation

28. The 2014 consultation document has a section explaining how the charges have been determined¹³. With regard to benefit allocation, the document goes no further than to state that “75% is allocated to those benefitting directly from the occupation of public space.”

29. The section 42a report¹⁴ presents a Benefit Allocation chart using data from Executive Finesse:

¹³ Marlborough District Council, n 1. Page 6

¹⁴ Gimblett and Donaldson, n 2. Paragraph 281



30. There is no calculation basis to support the values, but the Executive Finesse supplementary paper in the section 42a report explains:

The allocation of expenditure is a subjective exercise taking account of:

- Private and public benefits assessed by Boffa Miskell Limited.
- Number and size of occupations within group.
- Cause of expenditure and benefits derived.

- The public and private benefit assessment methodology of Boffa Miskell, while somewhat subjective, is clear in its application and can be readily used to calculate relative benefits.
- The number and size of occupations within groups are useful data and can certainly be used for calculation.
- What the “Cause of expenditure and benefits derived” refers to is unclear.

Additional considerations

31. The Boffa Miskell report¹⁵ mentions using values in addition to relative benefits of occupations. Assigning a value to occupations has since proven problematic. Geographic location has also been considered but is likewise difficult to implement.

Suggested calculation

32. While there is some ambiguity regarding how the proposed charges have actually been calculated it is possible to construct a simple charging model using a nominal COC revenue value of \$1M, Net Benefit Ratings from Boffa Miskell, and average occupation size and number of each group from Executive Finesse.

Simple area and Net Benefit calculation

COC Calculation							Nominal COC Revenue = \$ 1,000,000		
Occupation	Private Benefit	Public Benefit Gained	Public Benefit Lost	Net Private Benefit	No	Avg M2	Net Benefit Units	Avg \$COC	Revenue
Jetty/wharf (public)	1	5	-2	-2					
Boat Ramp (public)	1	5	-2	-2					
Utility	1	1	-2	2					
Jetty/wharf (private)	4	4	-3	3	705	51	107865	0.97	680.35
Marine farm (subsurf)	4	3	-3	4				0.00	0.00
Marina	5	4	-4	5	1300	48	312000	1.51	1967.91
[Mussel farm]	4	3	-4	5	591	52600	155433000	1658.85	980380.13
Mooring	5	2	-3	6	2831	28	475608	1.06	2999.86
Domestic services	5	1	-2	6				0.00	0.00
Boat Ramp (private)	5	1	-3	7				0.00	0.00
Salmon farm	5	2	-5	8	5	52600	2104000	2654.16	13270.80
Boat shed	5	1	-5	9	343	36	111132	2.04	700.96
							\$/NBU 0.00631 158543605	Total =	\$ 1,000,000

Formula: $\$COC = NBU \times (TBU \times R)$

Where:

¹⁵ Miskell, n 6. Page 38

NBU = m² of occupation x NPB

NPB = Net Private Benefit rating according to Boffa Miskell 1999 or MDC

TBU = Total NBU's for region

R = Annually adjusted total revenue for COC's

33. The calculation requires utilizing the notional value of Net Benefit Units (NBU's). This value is simply the area of occupation in m² multiplied by the Boffa Miskell Net Private Benefit rating (NPB). The total number of NBU's for the region (TBU) provides a basis to divide the charges equitably between occupations.
34. The fact that mussel farms alone are charged 98% of total revenue is a purely a function of their vast scale. This gives some weight to the KCSRA submission that aquaculture alone is charged on the basis of product harvested. As average charges for non-aquaculture occupations average only one or two dollars, it would hardly be worth sending the bills.
35. It might be, however, that non-aquaculture occupiers (KCSRA & QCSRA submitters) would see fit to make a concession to pay over and above the area calculation charge. This being the case all that would be required is to add a second component to the formula with direction to use "whichever is greater". The additional component could either be in the form of a flat rate (e.g. \$30) or if parties were agreeable, a concession NBU rate (e.g. \$0.10):

Formula 2: \$COC = NBU x (TBU x R) or, \$30, whichever is greater

Formula 3: \$COC = NBU x (TBU x R) or, NBU x C, whichever is greater

Where C (concession rate) = NBU value (Eg \$0.10)

Salmon farms

36. Should the concession rate formula be considered appropriate, it should also be established if the salmon farms should pay the concession rate as well. Because salmon farms have a much higher financial benefit value and environmental pressure than mussel farms the concession rate should probably also apply to them.

Policy 5.10.8 – Spending

37. The RMA specifies that funds raised by COC's must be spent on promoting sustainable management of the CMA. The Policy 5.10.8 provisions present a list of spending categories that cover sustainable management in broad terms but makes no mention of how funding might be apportioned.

Provision for community and stakeholder input to sustainable management initiatives

38. Given that many submitters have indicated a desire to have input into spending decisions, it would make sense to include a mechanism whereby groups can submit their ideas to Council I in the form of proposals and applications for funding. These could be made available online and be available for the general public to review. Competing initiatives could be assessed by the Council in terms of cost-benefit.

Need for an annual report

39. If annual report were could provide a number of advantages if made available.

- Analysis of funding and projection of revenue
- Analysis of past year spending and cost/benefit performance
- Presentation of scientific activity
- Notification of planned activity for the following year

Summary

40. In summary, a COC regime is supported provided that it is transparent and equitable and addresses the following three points:

- The MEP includes a formula to determine what the charges will be at 5.10.7, and
- The charges are equitable
- Stakeholder input and an annual report are provided for at 5.10.8.