

Southern North Island Wood Council

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Submission on "Plan Change 1 to the Natural Resources Plan"

Submitter:	Southern North Island Wood Council
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About this organization.	The Southern North Island Wood Council is made up of a group of 31 financial members from within the Southern North Island Wood Supply district. These include FSC Certified corporate owners, Forest Investment managers, nurseries, consulting companies as well as transport & harvesting contractors and sawmills. The Council is a non- profit organisation, with its own constitution and rules and is governed by an executive committee acting as a board, elected by the members at the AGM to represent their interests.

As a collective voice for the forestry sector in the Southern North Island, the SNIWC (WC) is writing this submission in relation to the proposed plan change 1 of the Greater Wellington Regional Council Natural Resources Plan.

Summary:

The SWNIC submission summary is detailed below:

- The SNIWC supports the principles of Te Mana o te Wai, and the inclusion of Te Mana o te Wai in the National policy statement for Freshwater Management. However, the rules need to be supported by appropriate evidence, implemented in accordance with relevant statutory provisions and consistent with the NES-CF Framework.
- The extension of controls is beyond the recommendations of the whaitua committee WIP reports and is far too onerous.
- SNWIC has issue with the fact there has been no consideration for ETS implication with the removal of land from production.
- We find issue with the fact there are many impracticalities of the erosion mapping class system currently employed. The resolution is far too low and it does not reflect forest scale erosion risk.
- The proposed plan poses a significant risk to forest investment in the Greater Wellington Region. The loss of productive area, often for no major environmental gains, we lower land values, ward off investment and a direct economic impact on people of the region.

Background

Commercial forestry is a major export earner for both New Zealand and the Wellington region. It employs a large number of local people and service providers during establishment, management and harvesting; and at the port and local sawmills. In the two Whaituas in question the total area in plantation forest is almost 12,000 ha. Were Kapiti and the Wairarapa included, the total area would be around 30,000 ha with a value of around \$600 million. This is a major regional asset and cannot be taken lightly.

As well as income and employment, plantation forests provide major environmental benefits. MPI states "Not only do we depend on forests to regulate the climate, we depend on them to clean our water and our air, and help manage erosion." Governments Canopy website

<u>https://www.canopy.govt.nz/plan-forest/why-plant-trees/soil-conservation/</u> says: "Trees can help reduce erosion, keeping valuable soil on your land and preventing sediment getting into waterways. This maintains the land's health and productivity and improves local water quality."

Greater Wellington's own forests help protect the city's water supplies and the rivers that drain to the coast. They also protect indigenous biodiversity and offer social benefits.

Finally, forests act as a carbon sink and help mitigate climate change. The Climate Change Commission has recommended a national increase in the plantation forest estate by 500,000 ha between 2021 and 2030.

In terms of sediment, plantation forests discharge less than any other commercial land use, and are second only to indigenous forests. A 12-year paired catchment study of the environmental effects of pinus radiata forestry, which included harvesting, replanting and around 11 years of a standard forest management ('The Pakuratahi Land Use Study' by Garth Eyles and Barry Fahey, June 2006 ISBN 1-877405-05-1) concluded that

- Prior to harvesting (January 1995–June 1997), the pasture catchment yielded almost four times more suspended sediment than the catchment in mature forest.
- Appropriate management procedures after harvesting can assist in returning suspended sediment yields to pre-harvesting levels within 2 to 3 years.
- Over the 12-year period of record the total suspended yield from the pasture catchment was over one and-a-half times that for the catchment going through the forest rotation.

Extrapolating these figures over the whole 27-year forest rotation would result in an even lower average sediment discharge compared to pasture.

We are concerned that the proposed Plan Change 1 is – in its content- biased against forestry, as shown by the argument used in the Section 32 report: "the current degraded environmental state has largely developed under this (NES-PF) framework", when Council's own monitoring demonstrates that water quality for catchments with significant forest cover has generally much better water quality than other land uses.

If Plan Change 1 is implemented in its present form we expect a significant decline in commercial forest activity in the Wellington region. This will impact the regional economy and make it harder to reach our climate change targets, and may lead to negative environmental effects.

NES-CF

The NES-PF (now CF) took several years to be compiled, reviewed and finally implemented. One of the main ideas of the NES-CF was to create uniform rules throughout the New Zealand.

We believe that the new rules in this plan should not override the NES-CF.

The SNIWC requests that:

The proposed forestry related changes, i.e. P.R19, P.R20 and P.R21, as well as Rules WH.R20, WH.R21 and WH.R22 and also the detailed notes that these new rules prevail over certain rules in the National Environmental Standards for Plantation Forestry (NES-PF), to be removed from the draft plan.

While we have not commented on all details in the proposed Plan Change 1, we are objecting to any other substitution of rules in the National Environmental Standards for Plantation Forestry (NES-PF) with the new rules in the plan.

We object to policies WH.P2, P.P2, WH.P28 and policy P.P26 as far as they relate to forestry.

We also ask that replanting will not be regulated in the proposed new plan

REASONS FOR OBJECTION:

1. Climate change and investment

The proposed new rules pose a significant deterrent to investing in commercial forestry, potentially undermining the prospects for a satisfactory return. This is primarily due to the conditions imposed and the associated costs, which may hinder the harvesting of certain lands. Additionally, the classification of land as "highest risk" diminishes its value, preventing forest owners from deriving income.

In 2019, Greater Wellington declared a climate emergency, and the Climate Change Commission, in its draft advice earlier this year, recommended the planting of an additional 500,000 hectares of exotic forests between 2021 and 2030. However, the proposed Plan Change 1 jeopardizes the achievement of this target, weakens the Council's emergency response, and discourages land owners from forestry investments.

The law mandates owners of plantation forests established before 1990 and post-1989 forests registered under the Emissions Trading Scheme to maintain their land as forests after harvest. They must either replant, allow the land to revert to scrub and wildings, or pay a carbon penalty. Replanting sequesters the carbon released at harvest, whereas allowing the land to revert to indigenous growth or wildings by 2050 may result in only 20% to 30% of the exotic forest carbon being re-sequestered, contributing to global warming.

Moreover, if forest land is not replanted, it becomes a financial burden for the owner, generating no income and contributing little to the region's social and economic well-being.

2. Lack of evidence

The Section 32 report claims that forestry is responsible for the current degraded state of water bodies in the Greater Wellington area without any substantial supporting evidence to make this claim.

The NES-CF has recently had significant changes to greater protect waterbodies from harvesting operations. There is no evidence that these new NES regulations will fail to protect freshwater, so there is no reason to undercut this standard.

3. Emissions Trading Scheme

The NES-CF was altered to include permanent carbon forestry as it model was being used as a loop hole to avoid resource consents and afforestation notifications.

The proposed plan will severely impact forest owners in the region with ETS registered forests.

Take Wood Council members CFGCNZ for example, of which if these proposed changes are implemented, look to lose between 4% and 18% of productive area by forest, which equates to 330ha. The ETS Liability on this area at current prices is appx \$18 million NZD.

4. Environmental, social and economic risks

The assertion that sediment produced by plantation forestry poses a problem in the Greater Wellington area due to forestry regulations lacks foundation. There is no substantiated claim that the National Environmental Standard for Commercial Forestry (NES-CF) has led to more adverse environmental outcomes in Wellington compared to the pre-2018 consenting regime. Additionally, there is no indication that either forestry or the NES-CF is accountable for the current degraded condition of water bodies in the region. As previously mentioned, numerous studies indicate that over an entire rotation, commercial forestry is considerably more effective than many other land uses in minimizing sediment flows. The Pakuratahi paired-catchment study serves as a notable illustration of this point.

We hold a differing view on the evaluation suggesting that the social costs associated with Options 1 or 3 would be minimal. Both options are anticipated to curtail plantation forestry operations in the region, resulting in job losses across the industry, at the port, and in various regional sawmills reliant on logs from the area. However, the analysis fails to quantify these potential impacts.

In the case of all three options, we once again challenge the notion that plantation forestry significantly contributes to river sedimentation and assert that Plan Change 1 is unwarranted. If adequately enforced, the National Environmental Standard for Plantation Forestry (NES-CF) is fully capable of regulating forestry activities to manage and control sediment flows.

The Section 32 report's analysis falls short of quantifying the monetary implications of the options, even when such assessments are relatively straightforward. For instance, it is feasible to estimate the probable costs of resource consents for land users over a 10-year period, as well as the additional expenses incurred by Greater Wellington in processing and monitoring these consents.

Other significant economic considerations involve the devaluation of forest land, a decline in overall economic activity, and the forfeiture of income from timber and carbon credits. Our evaluation indicates that the economic costs associated with Option 1 are substantial, while those for Option 3 are moderate. Both options are projected to elevate costs, resulting in an overall "negative benefit." Rather than characterizing these impacts as "low," the analysis should explicitly acknowledge their high and medium economic costs for Option 1 and Option 3, respectively.

Yours Sincerely



Blake Jones Chairman - SNIWC