

By email

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Ministry for Primary Industries
PO Box 2526
Wellington 6140

100 Cuba Street
Wellington 6011
PO Box 11646
Manners Street
Wellington 6142
T 04 384 5708

Submitted to: mpi.forestry@mpi.govt.nz

Tēnā koe

Submission on the Managing Exotic Afforestation Incentives discussion document

1. The Greater Wellington Regional Council (**Council**) wishes to provide a submission on the Managing Exotic Afforestation Incentives discussion document.
2. The Council's submission is structured to address the following key areas of interest:
 - a. A more integrated approach is needed
 - b. Ensuring appropriate mana whenua participation
 - c. Options to manage permanent afforestation
 - d. Comparing options 3a and 3b (appropriate exceptions)
 - e. Incentivising indigenous afforestation
 - f. Changes to New Zealand Emissions Trading Scheme (ETS) pricing mechanisms
 - g. Permanent Forest Sink Initiative interests

A more integrated approach is needed

3. The problems described in the discussion document, relating to managing exotic afforestation incentives, have significant interdependencies across other policies including:
 - National direction on forests and regional strategic planning
 - National Environmental Standards - -Plantation Forestry reform
 - New Zealand Emissions Trading Scheme (ETS) ETS - Yield tables
 - New Zealand Emissions Reduction Plan (forthcoming)
 - Overseas Investments in forestry
 - Forestry and wood processing industry transformation

4. A good understanding of the interdependencies of multiple reforms, beyond the ETS alone, will be required to deliver positive outcomes and to avoid adverse, unintended consequences for future generations. Seeking feedback on single elements of reform, one at a time, results in an unclear perspective on the related “causes and effects”, as they may be significantly impacted by other factors beyond the specific topics of this consultation.
5. **We recommend** that Government propose a strategy aimed at the alignment and integrated delivery of shared objectives across the policies noted above and seek feedback through further consultation.

Ensuring appropriate mana whenua participation

6. We note that the proposals will impact on the Council’s mana whenua partners of the region who have forestry interests and acknowledge that each will identify their own specific views on the proposed options to directly inform the consultation process.
7. In terms of more general context issues, we are concerned there is no specific Treaty of Waitangi analysis on the impact the proposals will have on the forestry redress of iwi who have already settled their Treaty of Waitangi historical claims with the Crown and those who have yet to do so. This document should demonstrate how the Ministry for Primary Industries has considered these important issues in both the definition of the problem and the potential solutions.
8. It is unclear what specific engagement the Crown has undertaken to seek the views of its Treaty partners. It is also unclear what indigenous knowledge systems have informed these options and whether Mātauranga Māori formed the basis for assessing and understanding ecosystems.
9. The public consultation period from March to April 2022 is commended, however it would have been improved if a calendar of planned hui was signalled which would enable mana whenua planning and participation.
10. Finally, there is no detail on who the Māori submitters are to date and who they represent as a means of understanding if there are any regional gaps which should be targeted during the consultation processes.

Options to manage permanent afforestation

11. We are confident that Government has sufficient understanding of the problems described to conclude that *status quo* (Option 1) simply is not viable. Option 1 will persist with the creation of numerous adverse consequences for future generations relating to degradation of land and biodiversity.
12. We are not supportive of Option 2, as excluding all permanent exotic forestry from the ETS would lead to many adverse consequences including:
 - Limiting New Zealand’s ability to achieve national sequestration needs (and therefore increasing net emissions), and
 - Reducing the financial viability and/or the rate of implementation of beneficial afforestation projects involving the establishment of permanent exotic forestry as

part of broader project outcomes which also could include native regeneration, improved water quality or erosion control.

13. **We are supportive** of the opportunities that exist within options 3a or 3b.

Comparing options 3a and 3b (appropriate exceptions)

14. **We are supportive** of targeted exotic species exceptions that will accelerate the reduction of erosion risk in our region. The use of exotic species is an essential need in the management of erosion prone land. In particular, willow and poplar species are likely to play a key role in the management of erosion risk for the foreseeable future in any silvopastoral landscape.
15. Exceptions could also provide for permanent exotic forestry of a range of exotic species (e.g. Pine, Eucalyptus, Douglas Fir, Redwood, etc.) all of which could have beneficial, long-term use in some catchments.
16. **We are supportive** of Government enabling a planning framework to provide for permanent exotic afforestation under “exceptions” to be based on the catchment context and an afforestation planning process taking into consideration a range of assessment perspectives including – at a minimum – an integrated consideration of net emissions reduction, water quality/soil conservation, and biodiversity. We acknowledge that such a planning framework (or regulatory platform) currently does not exist and achieving this outcome will require reform beyond the ETS.
17. For any permanent forest, the management regime is more critical to controlling adverse effects on the landscape more so than the dichotomy of species selection, i.e. native vs. exotic. We are advocates for any reforms that will address the risks associated with poor forest management (e.g. pests) which can happen in both exotic and native forests, permanent and plantation forests. Banning exotics from the permanent forest category certainly will not solve the issue of poor long-term forest management.
18. **We recommend** that Government seek future consultation feedback on “exceptions” (applicable to either 3a or 3b) after these are further developed and can be properly considered. Ultimately, the success of this reform is dependent on the design, delivery and enforcement of “exceptions” under Options 3a or 3b. We cannot identify a preferred option between 3a and 3b as we see pros and cons of both and we consider that we are not well enough informed to advocate for one over the other.

Incentivising indigenous afforestation

19. Exotic (pine in particular) and native forests are not currently on a level playing field under the ETS. Natives’ slower growth rates and significantly higher planting costs create an implementation barrier to native forest establishment. We support Government in any targeted reforms to increase uptake of native afforestation. Actions could include:
- Continuing/expanding a range of native afforestation incentive programmes
 - Supporting regional tree supply networks and nursery good practice (e.g. biosecurity and ecosourcing).

- Supporting public/private partnership initiatives. This involves utilising Council expertise in spatial planning and catchment management restoration, in partnership with private capital. There are a few “prototype” examples of this in action across New Zealand.
20. **We are supportive** of Government’s consideration of introducing a levy on ETS revenue from permanent pine/exotics, to subsidise native planting and to increase controls on long-term forest management good practice.
21. **We recommend** that the government find innovative ways to encourage the philosophy of “right tree, right place” within the ETS and think about ways to reward, via payment, greater care for biodiversity.

Changes to ETS pricing mechanisms

22. **We are supportive** of increasing the cost for ETS participants to rely on offsetting their emissions as opposed to reducing emissions. In general, NZ’s climate change response and adaptation should prioritise emissions reduction (i.e. reduce the problem) before we rely heavily on offsetting emissions with forestry land use (i.e. treating the problem without addressing the cause).

Permanent Forest Sink Initiative interests

23. Council is a Permanent Forest Sink Initiative (PFSI) covenant holder. This is applicable to land held in our Regional Parks network. The discussion document has not provided clear indication around the implications on GW’s PFSI interests. We would welcome the opportunity to consider any implications relating the PFSI and to liaise with Government further.

Proactive Release

In accordance with Greater Wellington’s proactive release policy, this submission may be proactively released and published on the Greater Wellington website.

Ngā mihi



Daran Ponter
Chair
Greater Wellington Regional Council

Address for service:

Jake Gilmer
Manager, Strategic and Corporate Planning
E jake.gilmer@gw.govt.nz