

Submission

**Te Koiroa O Te Koiora: Our shared vision
for living with Nature**

**Department of Conservation – Biodiversity
Strategy Discussion Document**

Submission to: Department of Conservation

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Introduction - The Forest Owners Association (FOA)

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 80% of the annual harvest. FOA is submitting on behalf of our national membership.

Within the membership a large proportion of the estate is managed under the environmental certification programmes, the "Forest Stewardship Council" and, or "the Programme for Endorsement of Forest Certification (PEFC). Both systems require a considerable commitment from the participants to providing for the protection of NZ's biodiversity. Within that framework, around 175,000 ha of indigenous ecosystems are protected within the plantations including areas such as wetlands, areas of rare floristic composition or habitats of rare species.

On an everyday basis, staff managing these commercial plantations are involved in decisions around protecting biodiversity, both at the operational interface between productive commercial plantings and the protected areas, and also fauna utilising habitat within the production forest itself.

Overall comments

The FOA supports the overall content and direction of the discussion document. There is nothing specifically new in the document that is not already well-established fact in the public domain. The FOA also strongly supports the notion that much more needs to be done to protect indigenous biodiversity. Our views on specific questions are below.

Comment on specific questions

Question 1 - How well does Part 1 of the discussion document set out the problem and consider the challenges and opportunities facing nature now and in the future?

As noted above, the FOA supports the approach the discussion document has taken. In particular, we support the statements about forestry, which relies on non-indigenous species and contributes to a range of ecosystem services during the time the forest is growing. Our plantation forests contribute to biodiversity management across 1.7 million hectares of land use, and strongly support the view that nature is at the heart of our success as an industry.

The FOA is strongly of the view that non-indigenous species play a positive role in ecosystem services, as the discussion document states (p11). Plantation forests create habitat for a range of indigenous flora and fauna over the time the forest is growing and even following harvest (kāreārea nest and thrive in forest areas that have been recently harvested). Many forest managers have in place active programmes to manage these habitats and species to help ensure they thrive. While plantation management ecology revolves around a disturbance regime, that cycle nevertheless provides biodiversity benefits at the land scape level over the long term, both within the plantations themselves and in the role they serve in providing buffering and corridor services to currently

fragmented natural remnants. The role that exotic forests play in biodiversity should not be underplayed.

Plantation forestry is a sustainable land use, but we can always do better. Forestry operations and practices are actively evolving and changing to consider changing public expectations, regulatory environment, climate change and sustainability certification requirements (such as FSC and PEFC certification).

The FOA supports the collaborative approach proposed in the discussion document, and in particular efforts to support on the ground actions.

The section on addressing the 'drivers of biodiversity loss' gives a good overview of the failures in economic systems and the legal and regulatory framework for protecting biodiversity. From a plantation forest aspect, a further economic issue that is not addressed, is the potential perverse outcomes of regulation aiming to protect existing biodiversity. The land use of plantation forestry is somewhat unique in that the activity itself creates habitat which then brings in biodiversity, which is a positive and somewhat unique outcome – a productive land use with biodiversity co-benefits.

However, under the current regulatory approach cost and constraints tends to fall disproportionately on those land uses and activities that provide for biodiversity, whilst those who have no biodiversity face no cost. The outcome is the opposite of payment of ecosystem services – in effect a tax on ecosystem services. In the worst-case scenario forest owners will pay the ultimate economic cost of being unable to harvest.

Through our involvement in the development of the National Policy Statement on Indigenous Biodiversity (NPSIB) we are concerned that this situation could potentially be exacerbated through the broadening of the definition of significant natural areas to encompass almost all vegetation, including productive exotic vegetation. If the regulatory costs are sufficiently onerous, they will create a strong deterrent to undertaking voluntary actions to enhance biodiversity, such as predator control.

While the situation is complex, and unquestionably the presence of threatened species warrants protection measures to be undertaken, to be successful we do need to address this conundrum, and in particular how activities that provide for biodiversity are encouraged and supported, not simply loaded with greater regulation and cost to the point they cease to exist.

Question 2 - What do you think of the proposed strategy framework? Does it provide a useful way of linking the elements of the strategy together?

As a generalised overview of how important elements of a strategy fit together, we think the diagram is helpful and integrative. We are mindful however that some views were expressed that the three pathways could be interpreted as 'silos' rather than being integrated. It is also rather complex and potentially confusing to a first-time reader, without the benefit of someone to explain how it fits together.

Question 3 - What do you think of the proposed vision for Aotearoa New Zealand and its timeframe?

As an aspirational vision FOA supports the vision for 2070. We support a 50-year time frame. We note that non-indigenous species are acknowledged.

Some general comments for possible consideration include:

- Whether the vision gives sufficient insight into resilience under climate change pressure. While we strongly support the goal of having habitats and ecosystems that are healthy, abundant and thriving, we may well find that systems will change, and transform over time and that climate change will in some instances be a key driver. Should this be acknowledged somehow?
- In combination the points related to ‘economic growth as a net restorer of biodiversity’ and ‘biodiversity being a core to all decision - including on private land’ could be interpreted as relying on private landowners and businesses to achieve biodiversity goals. To achieve biodiversity goals will require everyone to be involved including the government, regulators and indeed consumers that drive the economic system through their purchasing decisions. Everyone will need to share in the cost of transitioning economies and achieving the objective. As noted in our answer to question 1, a key conundrum is that regulation is poorly formulated can in fact create perverse outcomes of deterring land uses that ‘restore biodiversity through economic growth’ by increasing their regulatory burden to the point that they are no longer financially viable.

Question 4 - What do you think about the proposed values and principles? Is there anything you would add or change? Which of the values and principles do you think are most important?

FOA supports the proposed values and principles. The principle of respect for property rights is key to us for forming collaborative partnerships. Forest owners often own forests in a range of ownership models, including leases and joint ventures with private landowners. Our approach is necessarily collaborative, as there are often a number of interests or relationships in the sector. Forest grower’s first obligations are to their stakeholders and investors, and it is important to the sector that the balance of responsibility for biodiversity outcomes is shared.

The FOA supports the broad concept of the statement regarding internalising environmental costs of activities to an extent. To date regulators in New Zealand have a poor track record in internalising environmental costs under the RMA. Regulators reliance on a grand-parented approach to resolve environmental issues such as water quality has often led to the costs of landowners that create the externalities being borne by other parties who have not. For plantation foresters this has led to loss of property rights (and therefore land value) to reduce pressure on more intensive land use to reduce their contaminant losses.

However, as currently worded the principle of internalising environmental costs of adverse effects on biodiversity has the potential to replicate and exacerbate this situation. If this principle is applied over a short time frame without consideration of the bigger picture, it will lead to the perverse outcome of penalising those activities that provide for and create biodiversity, whilst the externalities of those land uses that have no biodiversity face no cost. As noted in our answer to question 1, this effectively becomes a ‘tax’ on ecosystem services. For plantation forests this issue has been highlighted in the development of the NPS IB by the potential for plantation forests to be

identified and mapped as significant natural areas through the creation of valuable habitat, resulting in associated regulation, constraints and cost.

The principles section could do better to try and address this latent tension and provide direction for the need to not only internalise the impacts of impacting negatively on biodiversity, but also encourage and support those land uses that create and provide for biodiversity over the longer term.

A further principle that could be considered under the heading 'knowledge' is the need for a consistent and defensible approach to prioritisation. As the Department of Conservation is well aware there is much that needs to be done that well and truly exceeds the available resources and funding. There is a danger under this strategy and the associated NPSIB, that everything is deemed to be equally important, we aim to protect and enhance everything and set ourselves up to fail. Success will depend on prioritising action and funding strategically over time to achieve the greatest good for biodiversity.

The FOA is aware of spatial modelling developed some years ago for the Department of Conservation by then staffer John Leathwick. This work was specifically designed to assist in identifying core terrestrial ecological systems and streams and allocating rankings in terms of importance in providing the full range of ecosystems and functions at a regional scale. We are also aware that most Regional Councils have had such an exercise completed in their respective regions using this methodology. This would seem to be one underutilised tool to assist with prioritising biodiversity actions. Potentially the creation of biodiversity hubs will assist in this area.

Question 5 - What do you think about the proposed long-term outcomes? Is there anything you would add or change?

The FOA supports the long-term outcomes. We support the statement "Non-indigenous species and ecosystems are managed to maintain or enhance indigenous biodiversity, while providing for the cultural, economic and recreational values that non-indigenous species provide." Exotic forests and non-indigenous species are an important habitat for many threatened and at-risk indigenous species.

It will be important to the commercial forest growing sector that we have certainty about how this plays out in reality. For example, how is the balance between managing ecosystems and economic values achieved? What will be the regimes under which forestry operations will be enabled to continue, expand, or evolve?

As noted previously FOA also notes that the statement "... economic activity provides for the restoration and protection of indigenous biodiversity". This is of course entirely true, without economic activity there will be no biodiversity restoration and economic activity can have a significant positive or adverse effect on biodiversity. What is currently unclear in the strategy is how we can create an environment that both encourages and supports those economic activities that naturally provide for biodiversity as a co-benefit (such as production forestry) but also encourages biodiversity restoration in biodiversity depleted environments.

The wording in our opinion needs to better reflect the complexity of transitioning an economy to integrate the concepts of exacerbators and beneficiaries as well as incentives and payments for

ecosystem services. To not do so is suggestive that some sectors of society can ‘opt out’ – it’s not their responsibility and neither should they bear costs related to such biodiversity goals.

Question 6 - What do you think of the proposed set of goals? What are the most important things to track to measure our progress? What else should be included?

The FOA is generally supportive of the proposed set of goals. Further comments on the goals are below:

2025 Goals:

- FOA supports the mapping of all areas of significant terrestrial biodiversity. A significant step forward would be if all mapping is carried out to a unified standardised national spatial layer available to all and available online and downloadable to make the information easily accessible, which is not currently the case. We do note that in our experience the process of mapping can be extremely time consuming, costly and difficult to get right on the ground, which will inevitably create challenges and a significant resource and financial drain for often under resourced rural councils. We also note our reservation that under the current trajectory of the NPS-IB the very broad definition of SNA means that almost any piece of indigenous or non-indigenous vegetation could be deemed significant and thus accorded equivalent legal protection. The result is a potential watering down of the meaning of ‘significant’, lesser protection of areas that are deserving of absolute protection, and wasted bureaucratic cost regulating activities such as harvesting of exotic vegetation, that arguably should not have been captured in the first place.
- FOA supports the concept of establishing biodiversity hubs. There are some great examples of collaborative effort positively enhancing biodiversity and community relationships. Having a resource available to guide and support community efforts in a consistent manner would be invaluable. The issue will be their jurisdiction, resourcing and focus, and ensuring resources find their way to actions on the ground that created the greatest benefit for biodiversity.
- We question whether an additional goal should be included regarding establishing a system to assist with prioritisation of action and resource investment, to ensure resources are applied to maximise biodiversity outcomes.

2030 goals

- The language of the goals suggests priorities will be established, while the current legislative framework does little to assist in this area.
- ‘Achieving biodiversity outcomes’ should be a part of all land use practice (urban and rural) and success here will be massively dependent upon the roles and resourcing of the biodiversity hubs and prioritised actions that everyone buys into.

2050 goals

- FOA note that if the goals of this strategy are achieved across all landscapes, all plantation forest estates will likely meet SNA criteria due to being inhabited by rare and threatened indigenous fauna. Following on from our previous comments, a key issue for forest owners is whether the system will then support the creation of increased biodiversity or penalise it.

Question 7 - What do you think about the proposed plan for implementation planning? What do you think are the requirements for a governance structure to oversee implementation planning and delivery?

It is difficult to comment on the proposed 'plan' as this section is currently very light and gives little indication of what the actual detailed plan is to achieve the very ambitious strategy goals. The indication of the document is that this will be expanded over time. We also note that the outcomes of some parts of the strategy will be dependent on further processes such as finalising the NPS IB.

As the ministry is aware, FOA Environment Committee member Kit Richards has given further thought to prioritisation of effort to guide future planning, which we believe is a pragmatic guiding model. While this paper has been previously provided to DOC, it is appended as Attachment 1.

Question 8 - What do you think about the proposal for progress reporting and review of the strategy? How do you think this reporting should take place to ensure it is useful, transparent, inclusive, and drives accountability?

The FOA supports regular reporting against the strategy and implementation plan. As much as possible goals need to be measurable and the parameters of measurement should form an underpinning and additions to current SOE reporting.

Question 9 - What do you think about the five system shifts? Are they the right areas to focus on in the near term? Are there other areas that should be included?

The FOA supports the five system shifts. We absolutely endorse the critical issue of 'getting the system right'. At this time, we remain concerned that the trajectory of travel indicates a continuation of the current approach with the greatest focus on legal protection of what is currently there, rather than how to encourage and foster enhancement of biodiversity in the future. It is possible the system will become overly bogged in costly bureaucracy diverting resources and effort away from activities that will actually enhance biodiversity – effectively the antithesis of 'empowering' and "supporting"

Question 10 - What do you think of this system shift (Getting the system right)? Do you agree with the proposed first steps? What other actions should be included?

The FOA supports the system shift based on getting the system right. It is our view that if this system shift is not achieved there is little hope that the remaining objectives of the strategy will be fulfilled. Forest growers are required to comply with a number of regulations and district plans to meet our obligations as a sector. These are often competing or conflicting with each other. Industries such as forestry require certainty of regulations and frameworks in order to invest securely in a long-term industry.

We remain concerned, based on the history of experience of inconsistent & incoherent application of current RMA interpretation in relation to biodiversity that too much latitude remains for the implementation of divergent plan, rule and biodiversity activities. FOA does support the creation of

Regional Biodiversity Plans but these plans need to be informed and structured by clear guidance from the NPS IB or this document. The goal needs to be clear, science informed, systematic and transparent with approaches for the development of such plans based upon a common set of tools and delivered to the public as national spatial layers as well as written documents. Within these plans there needs to be clear articulation of:

- Linkages to the biodiversity hub and how the roles for execution of targets are defined and allocated.
- Transparent delineation of funding streams and the frameworks around allocation,
- Guidance on how tensions over beneficiary/exacerbator/provider are to be interpreted and managed especially when it comes to the provision of assistance for achieving biodiversity objectives.

The FOA has been involved in collaboration on the NPSIB and the review of the National Environmental Standards for Plantation Forestry (NESP) so we are well aware of the complexities surrounding how to deal with exotic forests in national and regional plans, and the complexities of ensuring they all dovetail together. Our view is that the regulatory and other frameworks need to work together to ensure the long-term biodiversity goals and outcomes are met, and do not create perverse incentives for landowners to avoid nurturing flora and fauna on their land.

The FOA urges that serious consideration be given in to designing a biodiversity system that does not perpetuate or give rise to the continuation of the issues we have raised. A recent example of significant areas of important biodiversity within a large plantation which have been recognised for years as important but will continue to suffer 'benign neglect' while by their very existence imposing significant added costs to the owner of the plantations surrounding them while also forming a core of pest 'infestation' for goats and possum.

The FOA has reservations about the capability and capacity of regulatory authorities to deliver good results in many instances unless there is a significant structural system change supported by good tools, large budgets and effective monitoring feeding nationally standardised databases.

As a final point we note that it may be possible that many of the first steps could be short circuited or accelerated by utilising the Leathwick modelling to underpin prioritisation.

Question 11 - What do you think of this system shift (Empowering kaitiakitanga and mātauranga Māori)? Do you agree with the proposed first steps? What other actions should be included?

The FOA supports this system shift.

Question 12 - What do you think of this system shift (Communities are empowered to take action)? Do you agree with the proposed first steps? What other actions should be included?

The FOA supports initiatives to incentivise nature protection and biodiversity restoration by communities. It is our view that unless there is a much-improved focus on empowering local actions, within an agreed structured framework of priorities and resource allocation then the system will fail.

We support the creation of biodiversity hubs providing their sphere of influence and assistance encompasses the full community including farmers, foresters and regulators working together to achieve biodiversity outcomes. If the current trajectory of the NPS IB continues they are likely to need both technical and funding assistance. To a degree the forest industry already has skills and capacity and is engaged in numerous significant biodiversity initiatives at its own cost. This is difficult to force or replicate through regulation and enforcement and indeed taking a big stick approach could lead to perverse outcomes of deterring biodiversity work for fear of losing the ability to continue to operate an economically viable unit.

In our view biodiversity hubs need to be resourced by people who are competent field managers and ecologists, able to provide appropriate technical advice. The hubs also need to have a “triage capability” to provide urgent advice for situations such as the discovery of threatened wildlife in the course of operations. This functionality needs to be implemented along with a redesign of the Wildlife Act which is not fit for purpose in the context of increasing rates and diversity of NZ species being located within or on shared boundaries with plantations estates.

Tools that support and encourage biodiversity management can assist landowners and resource owners to prioritise restoration or management efforts. They can also tip the balance between economic activities and other land uses (for example if the cost-benefit of restoration of an area outweighs undertaking activities that may impact on biodiversity).

Thank you for the opportunity to comment on the discussion document.



Sally Strang
CHAIR, FOA/FFA ENVIRONMENT COMMITTEE



NZ Biodiversity Strategy and NPS Indigenous Biodiversity

Thoughts on an overall framework to guide biodiversity Restoration

Background

The following paper is taken from a memo from Kit Richards to Peter Brunt and Lillian Fugere at Department of Conservation, following involvement in the NZ Biodiversity Strategy process. The paper aims to set out some thoughts on an overall framework to help plan for biodiversity restoration, and the important issue of guiding and prioritising efforts to achieve biodiversity restoration.

In our view the NZ Biodiversity Strategy is currently light in this area, and this paper is provided in the hope it may be of some assistance.

In our view there are 5 key strategic advances required to achieve the objectives of the NPS-BD and that at the time these were largely missing.

What is at risk of being achieved under the proposed NPS IB approach is simply a 12" paint brush that results in every single patch of almost any form of indigenous vegetation and potentially a large amount of non-indigenous vegetation becoming an SNA by definition, which then by default, will lead to endless effort, cost and wasted time to tease out within the SNA bucket what is actually going to benefit from all the other "recommended" but non-statutory supports that are recommended out side the legal framework of the NPS IB.

While many of the final recommendations outside the legislative framework are good things to happen and generally supported by FOA, we remain fundamentally opposed to the current definitional structure of SNA's and in particular the extraordinarily broad and indeterminate description of "representativeness" which we remain convinced cannot be strictly interpreted (under law) without including almost anything that could exist within or under the boundaries of a plantation forest.

In the diagram below, the concept being illustrated hinged on establishing and focussing first on what is "core critical". In other words, it is recognised that there will never be enough money to restore everything at once. So, the true SNA has to be genuinely significant because if it is it should then be the first priority recipient of major financial and operational inputs to restore ecological function and resilience.

What is the END GAME?

Arrest biodiversity decline and start the journey toward restoration.

NZ Context - Four strategic elements

1. Protect the “Core Critical” (*effectively your SNA’s or priorities*) and thereafter...
2. Arrest the clearance (*only simple clearance rules needed under RMA*)
3. Grow the connectivity (*rivers provide many of the best opportunities through riparian vegetation*)
4. Control and diminish the pests (*Expand beyond core critical boundaries as resources permit or special situations or private voluntary efforts*)
5. Grow the biodiversity pie (*including the use of plantations*)



A key issue is how we prioritise. If the widely used criteria approach is not particularly well adapted to perform this function – are we able to advance beyond them? Is there a better tool available to do the task?

Prioritisation Tools

FOA members have been aware of the modelling approach developed by John Leathwick some time back when he was working for DoC. We were however surprised to learn more recently that almost all North Island Regional Councils have or are in the process of completing a region wide exercise using this methodology. Having completed this exercise what doesn't appear that as greater practical use of the information is being made as it could.

It seems surely there should be serious consideration to how to utilize this work to not only establish at landscape scales:

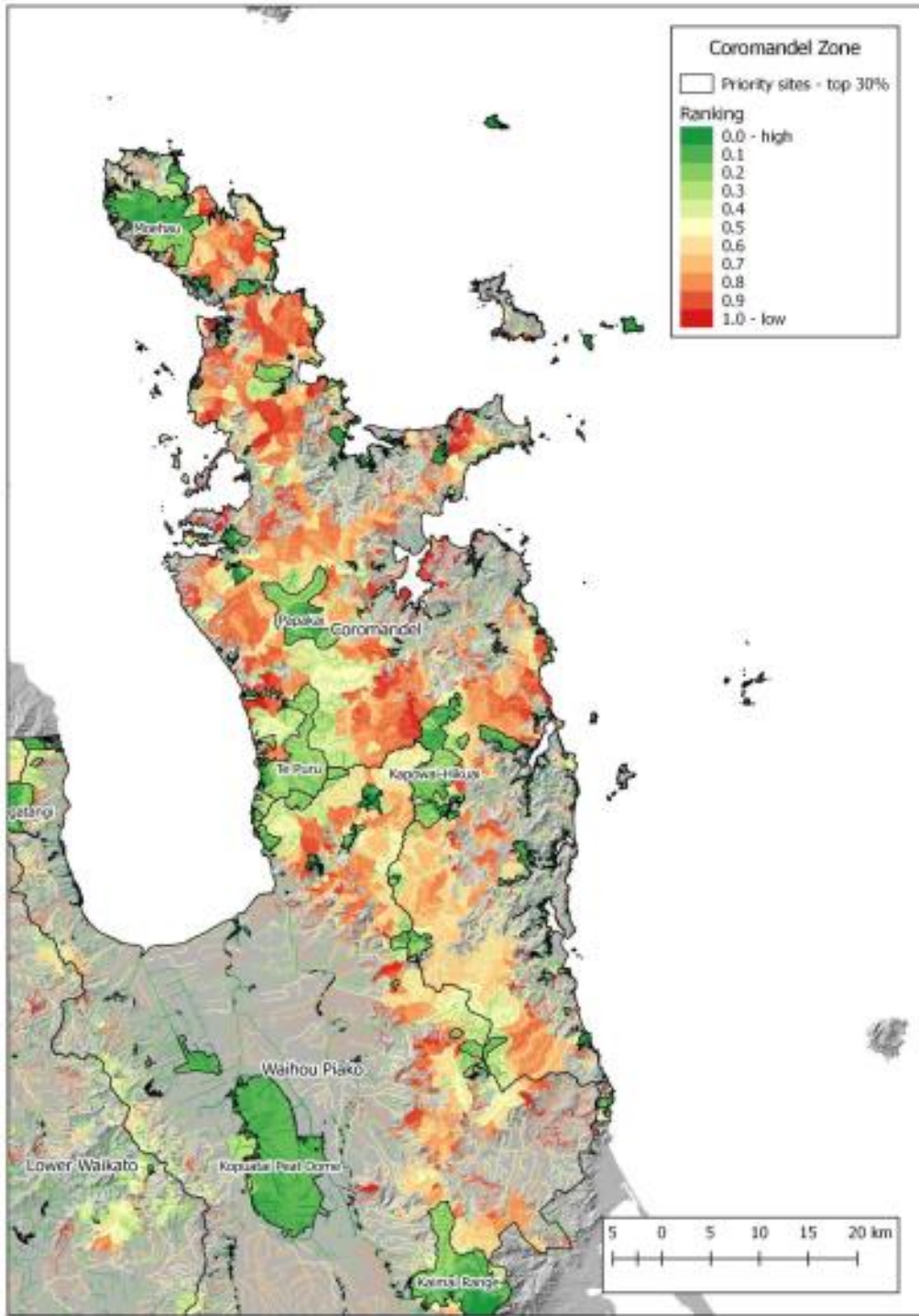
1. Where priority ecosystems (terrestrial, lakes and rivers) are located,
2. At what scale the issue represents at regional and national levels,
3. Provide the mechanism to assist in setting priorities for management under the "Epochs" that were mentioned the other day i.e. in the first 5 years this methodology would have been developed and adopted nationwide and the highest priority 10% of areas will at least be formally assessed and management planned. In the second 5 years all such areas will be under the active management specified in the plans 3rd 5 years ... start next levels of priority etc etc.

Clearly, as acknowledged in the report ground truthing is still an important function and application of the rankings need care. Also, presence of threatened species in non-indigenous ecosystems, ie pine plantations, would likely be an aspect for development. However, indigenous remnants within, and rivers associated with pine plantations would already be captured as we understand it.

In summary

It seems this methodology can play a significant role to:

- "Get the System right" at a national and regional landscape level.
- Is potentially far more capable of update and adjustment / improvement as datasets improve overtime (another part of getting the system right).
- Informed by objective application of ecological science to establish the "core critical" that must receive the initial financial and management support required for success irrespective of tenure.
- Capable of transparently informing the high-level target or goal setting elements of a proposed NZBdS and the planning structures proposed in the NPS-Bd.
- Outcomes can be sheeted home to identifiable topographic or ecosystem type boundaries to assist practical implementation and acceptance at the property level.
- The process informs the priorities for river protection and restoration to create the linkages forming part of the core strategic steps shown in my diagram.



Example prioritisation mapping by John Leathwick, Waikato Region (Coromandel Peninsula)

The forest industry is likely to support this approach even including some parts of some plantations. This is likely, especially if as regional priorities, there is going to be financial and management assistance targeted irrespective of tenure and where relevant, restoration efforts are integrated

across tenure boundaries. Presently, within plantation estates there are often situations where any effort to achieve some biodiversity gain would be rendered a high cost obligation on a piece of land that cannot succeed unless surrounding or connected land are also appropriately treated. The integrated approach signalled by this prioritisation methodology would go a long way to providing the current management planning platform to resolve such issues.

C R Richards
Environment Manager, PF Olsen

Not FOIA Policy