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Managing Exotic Afforestation Consultation
Climate Change Policy
Ministry for Primary Industries
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Tēnā koutou,

Canterbury Regional Council submission on the *Managing exotic afforestation incentives: Proposals to change forestry settings in the NZ Emissions Trading Scheme* discussion document

The Canterbury Regional Council (Environment Canterbury) welcomes the opportunity to provide feedback on the discussion document - *Managing exotic afforestation incentives: Proposals to change forestry settings in the NZ Emissions Trading Scheme*. Please find attached Environment Canterbury's submission.

As a regional council, we have an important role in delivering our region's freshwater management, integrated farm planning, building flood resilience, fire management, improving air quality, managing our own forestry and the impact on soil erosion, supporting biodiversity through habitat enhancement, and biosecurity functions. This submission reflects our experience in these areas.

Environment Canterbury looks forward to ongoing involvement as the Ministry for Primary Industries continues their work.

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Yours sincerely



Jenny Hughey

Chair

Encl: Environment Canterbury Submission on the *Managing exotic afforestation incentives: Proposals to change forestry settings in the NZ Emissions Trading Scheme* discussion document

Submission to the Ministry for Primary Industries on *Managing exotic afforestation incentives by changing the forestry settings on the NZ Emissions Trading Scheme*

Canterbury Regional Council and the role of forestry

1. Canterbury Regional Council (Environment Canterbury, the Council) welcomes the opportunity to comment on the Discussion Document on proposals affecting forestry and the New Zealand Emissions Trading Scheme (NZ ETS).
2. The Canterbury Regional Council has a range of responsibilities and interests that intersect with the topics in this Discussion Document including the impact of afforestation on soil erosion, water quality, water availability, wilding pines, the role of sequestration in climate change mitigation, biosecurity, fire management, and biodiversity.
3. As outlined in our Long-Term Plan 2021-2031 Te Pai Tawhiti 2021-2031, we are creating a shared regional approach to biodiversity – enabling, leading, and supporting partnerships that will protect and restore Canterbury’s indigenous biodiversity, economic production, and mahinga kai.
4. We manage our forests to provide flood protection and soil conservation. Forests also provide an additional source of income, recreational opportunities for the community, and offset our carbon footprint through the NZ ETS.
5. Environment Canterbury is the Regional Council for the largest geographical region and second most populous region in New Zealand. Our region boasts a diverse range of habitats and ecosystems that support a remarkable array of plant and animal life, which contributes to a wide range of community needs and expectations. Environment Canterbury acknowledges the importance of Canterbury’s biodiversity and our role in sustaining it.
6. Environment Canterbury, as the first council in New Zealand to declare a climate emergency, understands and acknowledges the importance of and urgent need to address climate change for the benefit of current and future generations. Our vision and purpose are:

Taking action together to shape a thriving and resilient Canterbury, now and for future generations. Toitū te marae o Tāne, toitū te marae o Tangaroa, toitū te iwi.
7. Increasingly the sense of urgency in our purpose has only grown and we acknowledge that carbon sequestration plays a crucial role in abating the climate emergency.
8. While noting the focus of this Discussion Document is on managing exotic afforestation, we re-encourage actively addressing gross emissions rather than using offsetting and trading through forestry as a primary tool to meet our 2050 emissions reduction targets.

Objectives and assessment criteria

9. The Canterbury Regional Council agrees that unconstrained permanent exotic afforestation within the NZ ETS risks perverse outcomes that could impact the reduction of gross emissions in the long term.
10. It is acknowledged that well-managed indigenous forests can have better environmental and biodiversity outcomes over time than comparable exotic forests.
11. There can be negative environmental impacts associated with unmanaged exotic forestry. The Canterbury Region is a good example of the adverse impacts of wilding conifers on conservation lands and pastoral land uses.
12. However, these impacts need to be balanced against the role exotics can play in flood protection, soil stabilisation, and reducing sediment and debris flow into waterways. Exotic forests can, and often do, host significant levels of indigenous biodiversity under their canopy and can assist the functioning of biodiversity corridors.
13. When considering the appropriateness of exotic compared to native forests, it is worth noting that the former can reduce the habitat for native species. However, afforestation, especially for NZ ETS purposes, is mostly on farmland which has generally significantly less biodiversity values.
14. Permanent exotic carbon forests in Canterbury are often planted in regenerating non-forest ecosystems, such as tussock grasslands and shrublands. These ecosystems are usually seen as marginal land rather than as productive farmland which results in the loss of these ecosystems and the services they provide.
15. Permanent exotic afforestation can mean forgoing opportunities for natural regeneration of native ecosystems including native vegetation communities, wetlands, and tussock grasslands which have multiple benefits. These benefits include carbon sequestration (usually slower, but longer term than sequestration from exotics), increases in biodiversity and ecosystem services, while concurrently reducing fire risk and weed spread.
16. Despite indigenous forests growing more slowly than exotic forests, they permanently lock away carbon in the soils as well as in the trees. This currently is not accounted for under the NZ ETS.
17. Any assessment of the environmental impact of widespread exotic afforestation needs to consider impacts on water quality and quantity and landscape and natural character values, as well as the potential loss of in situ indigenous vegetation prior to planting. There also needs to be recognition of the impact of erosion and sedimentation during both site preparation and harvesting.

Options to manage permanent exotic forestry in the NZ ETS

18. The Discussion Document's criteria for managing permanent exotic forest are supported, and the option of preventing exotic forestry from registering in the permanent category in the NZ ETS with exceptions is favoured. Any criteria should also recognise that new indigenous planting may need to be locally appropriate and species diverse to achieve the outcome of supporting indigenous biodiversity.
19. Exceptions could be relevant for erosion control or on marginal land. Caution needs to be exercised in using the transition from exotic to indigenous forests as an exception. Exceptions will need to be subject to a high bar and a clear transitioning pathway needs to be provided to ensure adverse effects are mitigated and clear benefits can be demonstrated. However, in setting exceptions criteria, it will be important to ensure the bar isn't set so high that it acts as a disincentive to transitioning forests.
20. Some environmental benefits of exceptions include the need to account for soil conservation, managing edge effects of pine plantations to suppress wilding risk, and the need to protect marginal land from continual burning and spraying practices.
21. Additional conditions could include the need for a permanent forest management plan with short, medium, and long-term commitments and alignment with the assessment criteria. Incentives could be offered such as for every hectare of exotic planting, equal amounts of hectares in indigenous planting are required.
22. Introducing the removal of permanent exotic afforestation by 1 January 2023 is supported.

Implementing changes to the permanent forestry category

23. Defining indigenous forests should not be difficult, particularly given most districts have undertaken a comprehensive process of identifying Significant Natural Areas (SNA). If indeed SNA identification processes under RMA requirements have declared areas to be (a) Significant and (b) Natural, then defining indigenous forests would appear to have been done already.
24. We note that the proposed Strategic Planning- and Climate Adaptation Acts also need to align with the spatial placement of forestry to avoid inappropriate activity in our most significant landscapes.
25. It is important that definitions in the NZ ETS and the NES for Plantation Forestry are aligned, and the aims of the Discussion Document are supported by integrated planning and other legislation to avoid regulatory gaps and unintended consequences.
26. The level of exotic vegetation communities present in a forest that would be enough to fail a threshold classification of that forest being considered indigenous should be minimal. In most instances the invasion of exotic vegetation into an indigenous forest would likely be a biosecurity wilding issue and therefore may have implications from a Regional Pest Management Plan perspective.

27. Environment Canterbury supports the current, significant penalties within the NZ ETS if exotic forests are removed from the permanent category

Averaging accounting for remote and marginal land

28. Creating a long rotation category under averaging accounting for *Pinus radiata* forests which are not profitable to harvest at age 28 makes sense. The look-up tables for commercial pine in Canterbury are the lowest in the country and it would be more economic for landholders to have a longer rotation option on some Canterbury land types.

Biodiverse permanent indigenous forests

29. Harvest management regimes that do not involve clear felling could be favoured, which include staged or staggered methods of harvest as used commonly in Europe. This method could incentivise natural regeneration and provide an easier NZ ETS pathway to establish and provide a regime to monitor and maintain indigenous regeneration.
30. The revision of the look-up table for indigenous vegetation is required so that the rationale for the sequestration value of mature podocarp forests is revisited. A revision of the look-up tables should also revisit the sequestration value of indigenous vegetation that will not grow above 5 metres.
31. Environment Canterbury recognises that incentives could be provided where new forestry development (exotic and native) is required to control pest browsing animals that destroy our native understory ecosystems. This could be included as a pest management contribution to the NZ ETS fund.
32. We note that while it is necessary to have robust rules for exotic afforestation, these should be coupled with greater incentivisation for indigenous afforestation, including funding.
33. In order to deliver long term resilience, the NZ ETS should recognise, alongside tree planting, other biodiverse landforms such as natural wetlands. This would incentivise landholders to view marginal farmlands and scrublands not so much as unproductive land uses, but as a revenue creating asset to be further nurtured for wider biodiversity outcomes and carbon sequestration benefits.