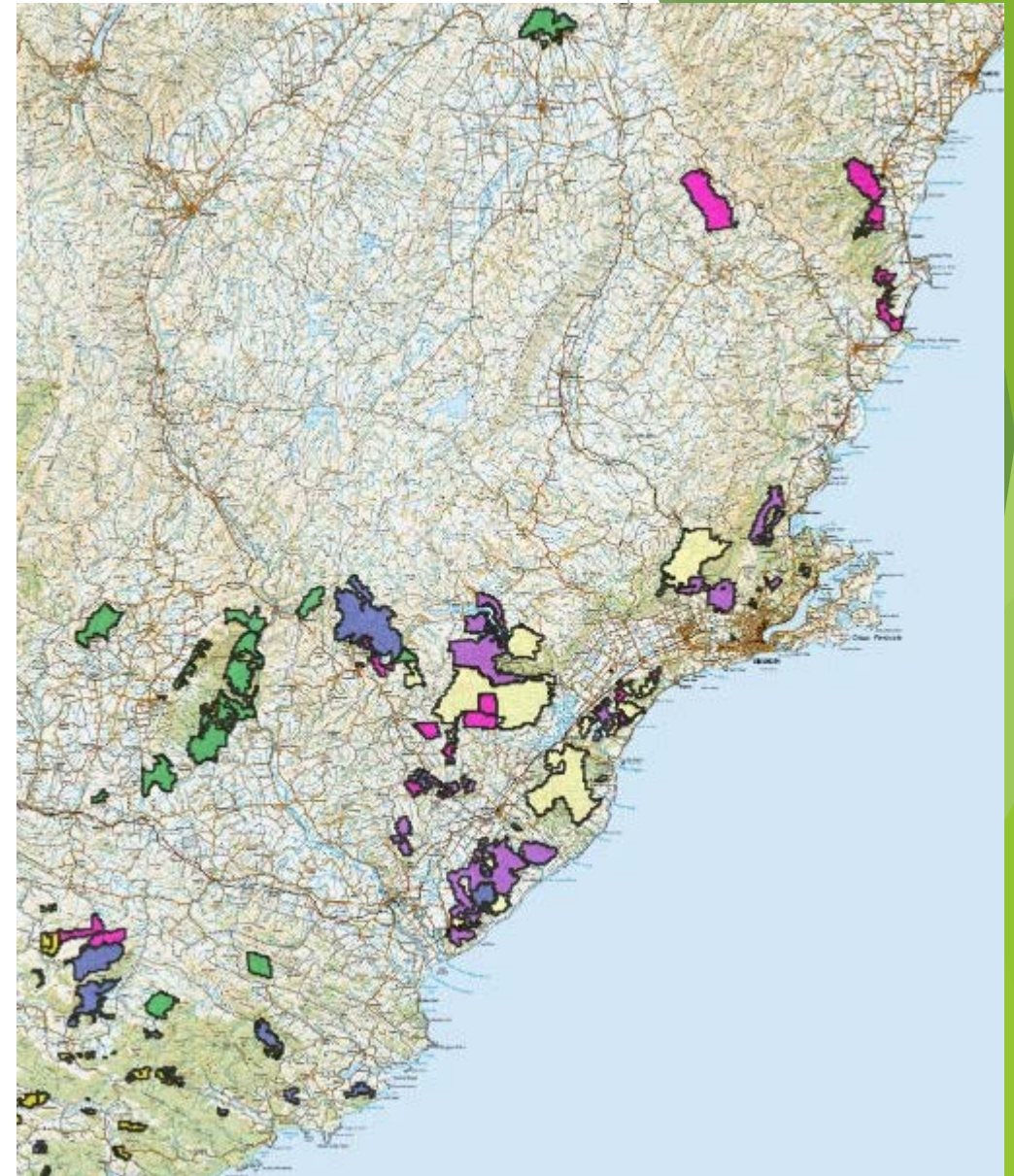


125,000ha of plantations in the Otago region



New Zealand Farm Forestry Association
Oranga Rākau Aotearoa



Exec Summary

- ▶ Forestry proposals are extreme
- ▶ Catastrophic economic and social impacts
- ▶ Proposals do not support ORC objectives to enhance water quality values.
- ▶ Science not properly reviewed and applied. The substantive 9-year science-based process behind the NES-CF not fully taken into account
- ▶ Land use sector inequity is significant leading to perverse water quality outcomes
- ▶ Process and communication has been poor, forestry sector ambushed.

There is no justification to expand the provisions of the NES-CF rules to give effect to the desired water quality outcomes

The rules as proposed favour industries that have a negative water quality impact ahead of forestry that can improve water quality



Our concerns with the process

- ▶ “The forestry provisions have been informed by direction from the community, mana whenua and councillors”. Limited if any substantive input sought before the proposals were developed, from any forest owners, or Scion
- ▶ Limited evidence presented to support the ORC’s approach and it appears that the ORC has not seriously engaged with relevant experts
- ▶ The process is being rushed. The NES-PF was developed after nearly 9-years of extensive consultation
- ▶ The NES-PF has been fully reviewed and its replacement, the NES-CF, comes into force on 3 November
- ▶ The NES-CF is fit for purpose, a more comprehensive document, and is superior in law. The ORC has not justified its reasons for seeking to override it



NES-CF compliant Plantation Forestry produces great water quality outcomes

- ▶ Major Forestry companies have a history of water quality monitoring around their activities, which consistently demonstrate that Plantations support water quality close to indigenous forests
- ▶ This is backed up by consistent research findings, Scion
- ▶ Shading has been cited by the ORC as a reason for large setbacks, but this does not stack up to the science
- ▶ North Island east coast slash issues on highly erodible soils are not a risk on Otago's low erosion susceptibility soils

Otago is a low erosion susceptibility risk for forestry



Perverse economic impact of proposals

- ▶ Almost all forestry land is >10deg slope, so 50m setbacks will apply universally
- ▶ Analysis of Otago forests indicates an average loss of productive forest land of 37%, with an estimated forest value of more than \$320mill
- ▶ increasing setbacks will completely change the value proposition for forest owners for both existing and new forests
- ▶ The effects on the industry will be dire; employment, wood processing, exports and contractor livelihoods, farm forestry etc
- ▶ ETS liabilities will be triggered for all forest owners captured by the scheme (both pre-1990 forest owners with >50ha of plantation and all post-1989 forest owners). These could top more than \$980mill
- ▶ The Otago Forestry Industry represents over \$1.1 Billion in asset value and investment (excluding carbon)
- ▶ These proposals force Governors and Managers of these investments to take all practical steps to represent their interests.

City Forests' example: Waipori Forest

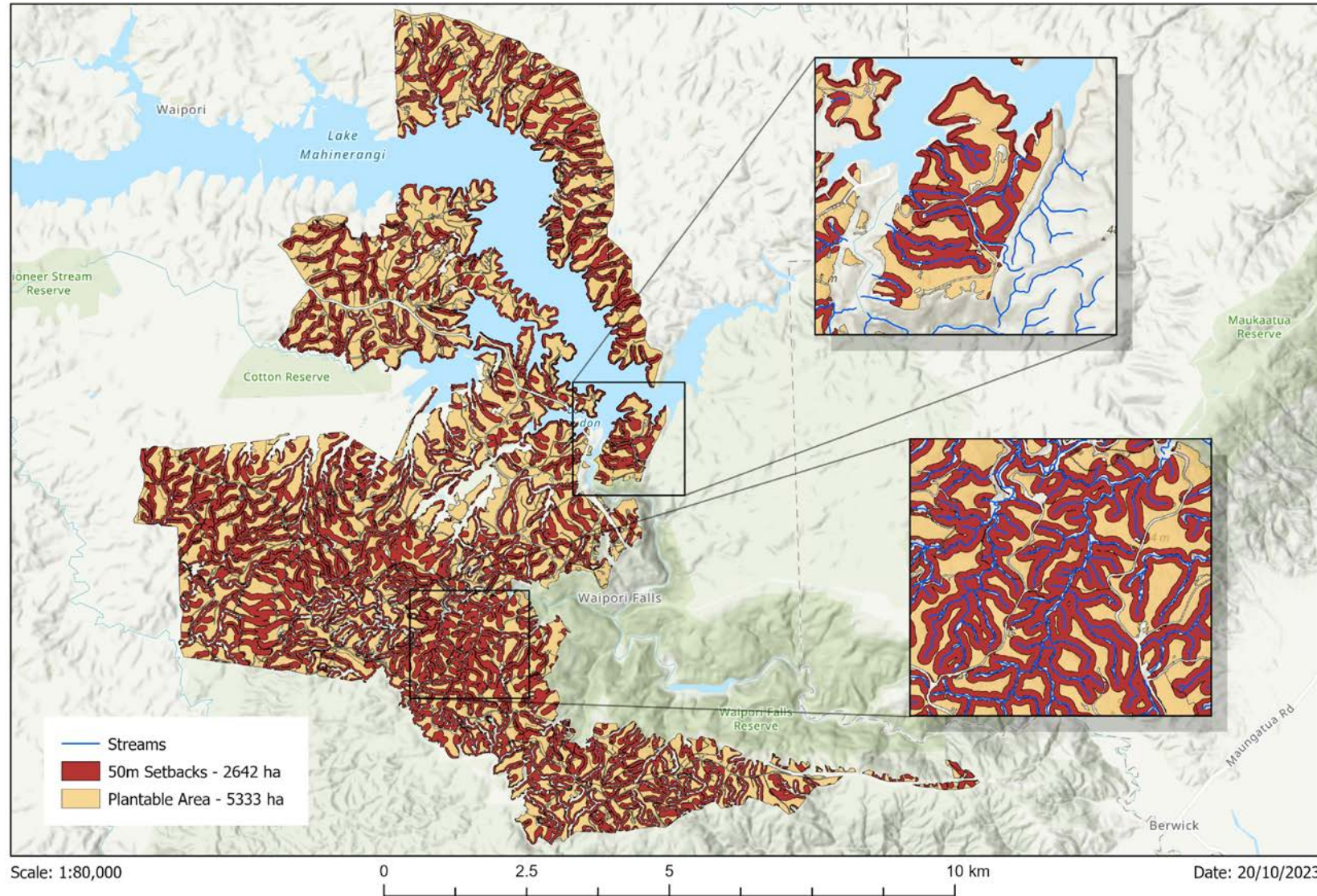
50m setbacks in Waipori would result in...

- ▶ Over 49% loss in productive area
- ▶ Nearly \$17m loss in production forest crop value
- ▶ Over \$76.3m ETS liability

For City Forests overall...

- ▶ 34% loss in productive area
- ▶ Over \$64m loss in production forest crop value
- ▶ Nearly \$198m ETS liability

Waipori 50m Setback Loses





The proposals will create a largely pointless consenting regime

- ▶ Consenting will create a large extra cost and administrative burden across the forestry sector, and for the ORC
- ▶ The environmental outcomes will not change, and may get worse
- ▶ Introduces uncertainty for business-as-usual forestry activity including the supply and value chains
- ▶ It will force the ORC to act as economic land-use arbiter - a role it is not qualified to undertake
- ▶ It runs completely counter to the spirit of the NES-CF on what is arguably the most benign erosion susceptibility region in the country

Consenting puts business continuity for 37% of a \$1.1 billion collective forest asset in the hands of the ORC.

Unacceptable business risk, for no net community gain.

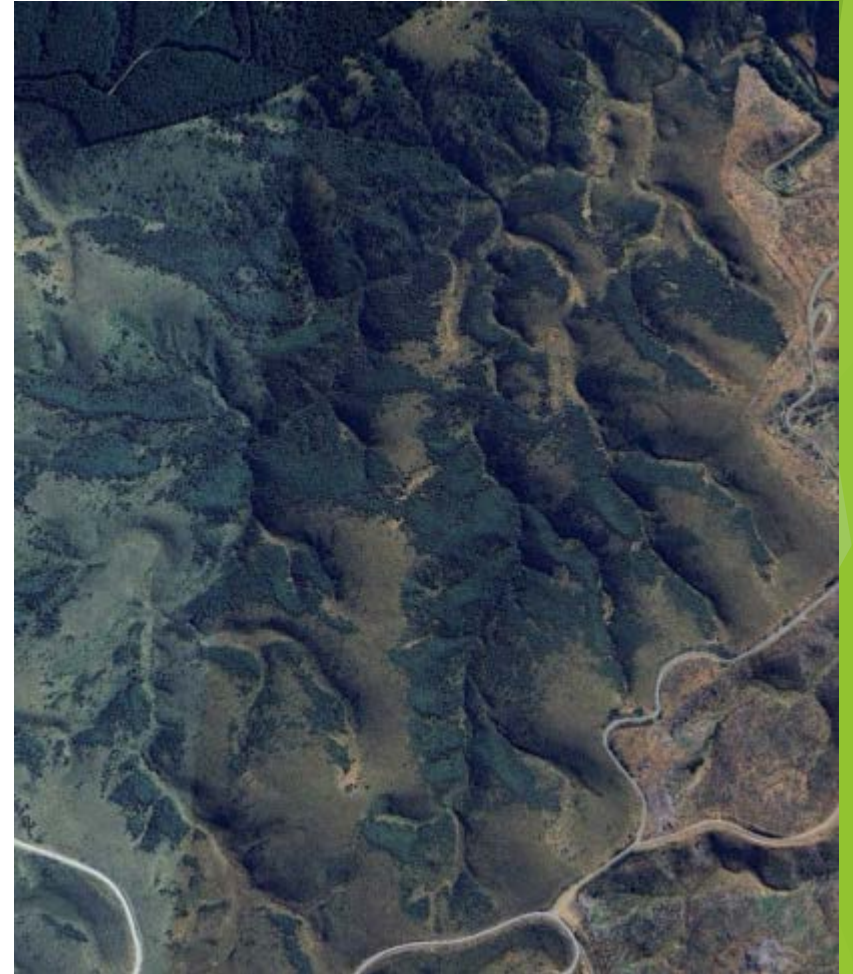


Perverse Environmental impact of proposals

- ▶ Otago's plantation forests support a wide and rich biodiversity which will be put at risk by these proposals...
- ▶ For example,
 - ▶ NZ Falcon (Karearea) population, researched intensively, has grown to a density rivalled only on the pest-free subantarctic islands
 - ▶ Rare east coast population of South Island Robins (Kakaruai) is growing in our forests and has been used to seed Orokonui Ecosanctuary
 - ▶ Non-migratory native fish (Galaxias) species such as Eldon's have survived multiple forestry rotations.
 - ▶ There are native bats and lizard populations which we are only just discovering
 - ▶ Multiple native flora and fauna thrive in fully protected reserves. All larger forestry companies have significant reserves, financial support now threatened by these proposals

Water quantity evidence cited by ORC is ambiguous

- ▶ The ORC cites the long-running Glendhu paired catchment study as a key reference
- ▶ But... there is massive reversion to manuka in the unplanted catchment in this area
- ▶ At best the key study shows that there is no significant difference in the hydrological impact of recloaking the landscape in native or exotic trees
- ▶ Presumably the ORC regards natural reversion to native vegetation in a positive light?
- ▶ ORC risks “winner picking”, by restricting forestry to support downstream water yield enabling uses, e.g. irrigation, that threatens the water values intending to be protected?





No equity with other rural land uses

- ▶ No justification has been made for enacting tougher rules for forestry than farming

By contrast...

- ▶ Fertilising will be allowed to within 3m of waterway
- ▶ Winter grazing to 10m and no slope restrictions
- ▶ 20m for discharge of agricultural waste

- ▶ Water yield considerations propose limiting forestry in headwater catchments are designed to support systems already overallocated for irrigation.
- ▶ Irrigation is a direct and demonstrated threat to freshwater values.



So, what do we want?

- ▶ A recognition of the well-established environmental credentials of plantation forestry
- ▶ Retain permitted activity status, no additional consenting.
- ▶ The existing rules (NES-PF/CF and limited ORC stringency) are fully fit for purpose, delivering great environmental outcomes and should be rolled over into the new Land and Water Plan
- ▶ Therefore, no movement from NES-CF unless it can be scientifically justified, and is compliant with the NES-CF's provisions for extra stringency
- ▶ Full sector equity, don't set tougher rules for forests than farms.
- ▶ Retain asset values, jobs & forestry's environmental benefits