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Biodiversity Team
Ministry for the Environment
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SUBMISSION ON CONSULTATION DOCUMENT NATIONAL POLICY STATEMENT FOR INDIGINEOUS BIODIVERSITY

1. Submitter

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2. Introduction & Background

Development West Coast (DWC) was set up as a Charitable Trust in 2001 to manage, invest and distribute income from a fund of \$92 million received from the Government.

This fund was an adjustment package for the loss of indigenous forestry and the privatisation of much infrastructure on the West Coast in the late 1990s.

DWC is governed by a Deed of Trust which specifies DWC's Objects - to promote sustainable employment opportunities; and generate sustainable economic benefits for the West Coast, both now and into the future.

Following the Tai Poutini Regional Growth Study released in 2016, DWC has been mandated to carry out the functions of regional economic development for the West Coast region and, in doing so, is concerned with matters of economic impact for the region.

Over the past 20 years the region has suffered from the demise of large sectors of the regional economy. The halt on indigenous tree logging, closure of Solid Energy's coal mining operations, Holcim's withdrawal from the Buller region, and the impact of fluctuating coal, gold and dairy prices have seen the region's economy struggle. While the tourism sector has recently been strong, it is vulnerable to external factors, particularly weather events, natural disasters, global events (COVID-19) and changes in consumer behaviour.

DWC acknowledges the government is currently placing a high priority on supporting regional economic development, and the region is benefitting from PGF investment over several projects. An updated economic development action plan is currently being consulted on as the region faces the challenge of finding its place in the national economy going forward and at the same time safeguarding the social, community and economic welfare of its residents. DWC wishes to register its general support of the joint submission made by:

- **The combined councils of the West Coast Region.**

We strongly support all the 'outcomes sought' within their submission. The three district councils and the regional council having worked together on their submission demonstrates their desire to have central government recognise their collective concern in terms of the impact the policy changes contained in the NPSIB could have.

DWC's submission will concentrate on the economic impact of the proposed policy changes with the NPSIB. It will refer to the following documents that have been read and considered during the preparation of this submission:

- NZ Government. 2019. *Draft National Policy Statement for Indigenous Biodiversity* November 2019,
- Ministry for the Environment. 2019. *He Kura Koiora I hokoā: A discussion document on a proposed National Policy Statement for Indigenous Biodiversity*. Wellington; and,
- 4Sight Consulting. 2019. *NPSIB Draft Section 32 Evaluation and CBA (V1_14.10.2019)*

DWC has focused its attention on the Objectives and Policies of the NPSIB and, in particular:

Objective 6: to recognise the role of landowners, communities and tangata whenua as stewards and kaitiaki of indigenous biodiversity by:

- a) *Allowing people and communities to provide for their social, economic and cultural well being now and in the future; and*
- b) *Supporting people and communities in their understanding of and connection to, nature.*¹

3. Discussion of Proposals

3.1. Overview

In general, DWC supports the overall national intent of the Objectives and Policies contained in draft document, National Policy Statement on Indigenous Biodiversity (NPSIB). We understand the government's objectives in strengthening provisions within the Resource Management Act 1991 (RMA) which will have the effect of protecting the country's biodiversity.

We acknowledge the impacts, costs and benefits of the NPSIB are expected to vary significantly within, and between, regions and districts. They will also vary for different land uses and activities, and for different agencies and stakeholders.

When a thorough analysis is applied in terms of implementing the policies contained in the NPSIB across New Zealand it is evident that the West Coast region is very much an outlier in terms of indigenous biodiversity and thus the policy framework becomes ambiguous, difficult to apply and inappropriate.

The fact that public conservation land makes up more than 84% of the region, and is therefore, by its very nature, a large area of indigenous biodiversity, makes the West Coast region very unlike the rest of the country.

For this reason, DWC wishes to emphasise that the NPSIB policies are not a 'good fit' for the West Coast but could be applied to those regions that have less than 50% of

¹ NZ Government. 2019. *Draft National Policy Statement for Indigenous Biodiversity* November 2019 Pg. 15

indigenous biodiversity remaining.

DWC registers its concern that many of the implementation requirements within the 'National Policy Statement on Indigenous Biodiversity' discussion document will have a challenging effect on the already struggling West Coast economy over the coming years in comparison to other regions in New Zealand.

We draw attention to and agree with the statement made in the 4Sight Evaluation document, "Overall, the national approach required under the NPSIB is likely to have a disproportionately high negative impact on the West Coast compared to the rest of New Zealand."²

We are also concerned that the extra monitoring required will be disproportionate to the benefits and will significantly impact on workloads and costs to ratepayers and landowners.

3.2. Regional vs National Policy

At the heart of DWC's submission is the necessity to devote considerable resource into analysing the future economic impact of government policy while also managing the wellbeing of its citizens in the present.

The West Coast region is the fifth largest region in New Zealand and has a small and sparse population. The vast public conservation estate, the relatively small private ownership of the rest of the land (including the even smaller ownership by our local tangata whenua) makes for a unique situation. When consulted in 2017, the phrase that West Coast residents felt best depicted what their region had to offer resulted in the award-winning brand "Untamed Natural Wilderness".³ It demonstrates that West Coast residents *do* understand that the conservation of our pristine environment is desirable and has economic benefits.

The West Coast is representative of the environment that sells New Zealand to the world, not only as a place to visit but also as a place to live. As a consequence, the region's residents have a strong sense of pride and belonging. We have very 'low development needs' but those that we do have tend to involve our land resources.

The region does not suffer from a decline in indigenous land cover. Given the ban on indigenous logging in 1999 and the huge efforts by the Department of Conservation, local authorities and private landowners to cull the possum and vermin population, it could well be argued that indigenous biodiversity is increasing.

Environmental restoration has been an important (and expensive part) of the extractive industries over the last three decades. Oceana Gold's Reefton Restoration Project is an excellent example of this work. The Reefton Restoration Project is re-establishing ecosystems with indigenous species in a new post-mining landscape. Since commencing progressive rehabilitation, the project has completed over 101 hectares of restoration, including the planting of approximately 603,000 seedlings, with a further 300,000 more planned for planting during the next 3 years. Once complete, the management of the site will be returned to the Department of Conservation, as required by the Resource Consent.⁴ Once complete, post-restoration areas will consist primarily of forested areas populated by Beech and Manuka species, complemented by native conifers including Rimu and Miro trees. The West Coast extractive industry is very proud of its efforts and residents agree.

The region already has a highly unmodified natural environment and there are many community groups that undertake significant projects to protect our biodiversity. The

² 4Sight Consulting. 2019. *NPSIB – Section 32 Evaluation and Cost Benefit Analysis*. Pg 148 p.3

³ <https://www.wcrc.govt.nz/council/news-and-announcements?item=id:2558pt26g17q9svrr26r>

⁴ <https://www.oceanagold.com/wp-content/uploads/2019/09/Reefton-Fact-Sheet-September-v2.-2019.pdf>

projects carried out by the Lake Brunner Community Catchment Care Group⁵ (most of whom are farmers) and the West Coast Penguin Trust's fencing project⁶ are good examples.

Westland Milk Products, a very significant employer in the region, takes very seriously its obligation to manage the land in a cultural and environmental way that will generate economic and social benefits for future generations. The Company's point of difference in the market is increasingly reliant on its environmental sustainability policies.

This work goes largely unacknowledged and results in a sense that these efforts are not valued. That in turn underpins the long-held resistance by residents of being told by central government 'what they can and can't do with their land', however misplaced that sentiment might be. This ongoing tension and the negativity it engenders is one of the greatest barriers to innovation, creativity and, consequently, economic development for the region's businesses.

The Ministry for Primary Industries' 'Rural Proofing Guide'⁷ cites, "rural communities are an essential part of New Zealand economy, society, culture and environment. Our largest export producer, rural communities are also stewards of New Zealand's biodiversity, landscapes and resources ...". The document also lists and acknowledges the challenges facing our rural communities, including that, "regulatory, market and environmental changes can disproportionately affect rural communities".

The SNA process is already causing uncertainty over land values and affecting sales. The scheduling of wetlands and the interpretation of what a 'permitted activity' is has been a very lengthy and sometimes subjective process that has negatively affected one of the region's longstanding, small but most innovative industries.⁸

3.3. Ambiguity & Inconsistencies

While DWC accepts that the NPSIB has the intent of making the Resource Management Act processes less ambiguous in the long term, in the short term it has the effect of 'blanket policy making' especially for our region.

DWC is also concerned that elements of the NPSIB are inconsistent with this objective and still open to a significant amount of interpretation, thereby lengthening processes, creating battles and curbing positive development.

DWC agrees with the sentiments of the combined West Coast councils that a number of the policies and implementation requirements are very broad and do not give clear direction. The use of the words 'appropriate' and 'precautionary' throughout the document are a cause of concern in that both are open to a wide range of interpretation.

Policy 2 of the NPSIB states:

"...to ensure that local authorities adopt a precautionary approach towards proposed activities with effects on indigenous biodiversity that are uncertain, unknown or little understood but potentially significant."⁹

It could be argued that the easiest (and most cost effective) way for local authorities to give effect to such a policy would be to ban all 'uncertain' activities, or at the very least any new ones, where there is no robust science to prove the impact on biodiversity. Such a direction would be detrimental to developing our economy. It would be unaffordable for our small land-based businesses, who have already been through the RMA process, to have this research done. The sphagnum moss industry is a good example of this

⁵ <https://www.landcare.org.nz/file/catchment-management-working-together/open>

⁶ <https://www.westcoastpenguintrust.org.nz/>

⁷ <https://www.mpi.govt.nz/about-us/our-work/rural-proofing/>

⁸ The West Coast sphagnum moss industry is on the verge of export expansion into environmentally friendly filtration products. See <https://cwsnaturally.com/>

⁹ NZ Government. 2019. Draft National Policy Statement for Indigenous Biodiversity November 2019 Pg. 15

where the requirement for proof could result in the industry being commercially unviable.

DWC strongly recommends that clear guidance from central government as to how a 'precautionary approach' could be implemented without incurring costly research and assessments into the prolific amount of indigenous biodiversity that exists in the West Coast region.

3.4. Long Term Economic Benefit vs Cost

The impacts, costs and benefits of the NPSIB are expected to vary significantly within and between regions and districts. They will also vary for different land uses and activities, and for different agencies and stakeholders.

The West Coast economy needs to consider value-add diversification in order to be sustainable. Policy changes make this challenging given land-based resources, mineral resources and water represent our largest opportunity for diversification and economic growth. The region's environment is unique in terms of rainfall and climate.

We agree that any diversification must deliver a net benefit to our people, our environment and our economy. We are concerned that the proposal too tightly restricts land-use change and will necessitate another layer of consenting that will be difficult to resource in our region. In turn, this will deter innovation and diversification.

As noted in the document prepared by 4Sight Consulting,

"A district-wide exercise to identify SNAs takes considerable time, requires a high level of expert input and landowner engagement, and is resource-intensive. This is beyond the capacity of some councils, especially those that have a small ratings base and large land area. As a result, many districts have not identified SNAs despite earlier intentions to do so (as highlighted in the Westland and Southland case study examples). The actual time and costs required to identify SNAs will vary depending on a range of factors, including the size of the district, the nature and extent of indigenous biodiversity present, and methods used."¹⁰

DWC supports the concerns of the West Coast councils that the time and money spent on policy, planning and implementation incurred by our very small rating base will be disproportionate in terms of the expected benefits. The cost for identifying the SNA's on private land would be between \$265,000 - \$493,000. However, the calculated estimate of ongoing implementation suggests the regional council would have to increase their general rate by up to 200% of its current take, and this does not include the additional costs to landowners, iwi and industry.

4. Concluding Recommendations

DWC recommends that central government:

- acknowledge that the West Coast region represents a very unique case and that the economic implications as outlined in this submission and that of the combined West Coast councils, be given special consideration;
- Give serious consideration to making the West Coast region exempt from the legislation given 84% of the region is already public conservation land
- assess the cumulative implications of government policy on the business confidence of the region's sectors;
- consider options to manage the high delivery costs per capita required by the new policy for the West Coast as compared to other regions;

¹⁰ National Policy Statement for Indigenous Biodiversity – Section 32 Evaluation and Cost Benefit Analysis, Department of Conservation Strategic Policy, Draft Report, October 2019

- adjust the language to remove ambiguity; and
- clarify how the government will take into account the difference in regional activities, resources and environments.

According to the NZ Government's Grow Regions website, "The Government is committed to unlocking the full potential of regional Aotearoa. It's clear that there are opportunities to invest in the region to drive sustainable economic development. Challenges facing the region from the mining downturn and low dairy prices emphasise, more than ever, how important it is to diversify the West Coast's economy."¹¹

The current government has promoted a 'wellbeing policy' whereby a good working environment is good for business. We are concerned that the wellbeing of West Coasters will be negatively affected by the changes proposed in the policy and will outweigh, or at the very least overshadow, the long-term benefits.

Regional economic development has its focus on the right of the people of the region to experience wellbeing and all it encompasses. This region currently suffers from economic uncertainty and instability. When business confidence is low, it is difficult to encourage entrepreneurship, innovation and risk taking, and it is a challenge to attract both internal and external investment into the region to sustain our economy.

Yours faithfully



Heath Milne
CHIEF EXECUTIVE

¹¹ <https://www.growregions.govt.nz/about-us/>