

**SUBMISSION ON
PROPOSED NATIONAL POLICY STATEMENT FOR INDIGENOUS BIODIVERSITY**

To: Ministry for the Environment
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Submitter: **Hancock Forest Management (NZ) Ltd**

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Submission: HFM NZ **opposes** the Draft NPS IB and seeks that it be substantially amended in response to the concerns expressed below or otherwise withdrawn entirely.

Introduction

- 1 Hancock Forest Management NZ Ltd (HFM NZ) is a subsidiary of the Hancock Natural Resources Group and manages plantation forests in New Zealand on behalf of three investor clients – Taumata Plantations Ltd, Tiaki Plantations Company and OTPP New Zealand Forest Investments Ltd. Collectively HFM NZ manages a total area of 228,600 hectares of plantation forest located in Northland, Auckland, Waikato, Bay of Plenty and Horizons regions, with a total productive area of 184,480 hectares.
- 2 HFM NZ supports the goals of the NPS IB to protect and restore indigenous biodiversity. However HFM NZ **opposes** the Proposed NPS IB on Indigenous Biodiversity (**NPS IB**) in its current form.
- 3 Overall HFM NZ believes that unless the document is substantially modified it will result in significant costs to the forest industry for limited environmental benefits, and creates the real risk of exacerbating the loss of biodiversity on private land.

Support for indigenous biodiversity

- 4 HFM NZ supports the broad objectives of the Draft NPS IB and is very aware of the threats to indigenous biodiversity in New Zealand, the value of biodiversity located within our managed forests and the responsibility to manage our forests to maintain and where practical improve biodiversity values over time.

- 5 HFM NZ has been certified to FSC® (Forest Stewardship Council) since 2004 and became certified to PEFC (Programme for the Endorsement of Forest Certification) in 2017. Both are voluntary third party certification systems that involve annual audits to confirm compliance with a comprehensive set of forest management requirements. Both systems place a high emphasis on environmental management and the identification and management of biodiversity values.
- 6 34,116 ha of the land area under our management is set aside as indigenous reserves, predominantly indigenous forest remnants and wetlands. These areas are mapped in our GIS mapping system and as part of our FSC requirements, some time ago the areas were assessed by ecologists (Wildland Consultants) to describe their ecological values, ecological rankings and any threats to indigenous biodiversity.
- 7 These reports have formed the basis for an ongoing indigenous reserves restoration programme. This information has also been utilised by Wildlands when undertaking SNA assessments for a number of the district councils in which our forests are located, effectively subsidising the cost of SNA assessments for those districts.
- 8 As part of our certification requirements we have identified areas of threatened flora within our estate and these areas are included within our protected reserves network. Identified threatened flora include *utricularia australis* (yellow bladderwort), swamp maire, *todea Barbara* (king fern), *pittosporum turnerii*, *dactylanthus taylorii*, kauri, narrow leaved mahoe and marsh fern. All are located within indigenous reserves and protected.
- 9 The forests that we manage also provide habitat to a range of indigenous fauna species, both within indigenous reserves and in the productive area of the forest.
- 10 Again as a requirement of our certification we have undertaken an assessment with input from independent ecologists to identify all threatened and at risk fauna known or likely to be present within the estate. To date 26 threatened and at risk species have been identified as being potentially present within the estate. Of these the majority utilise indigenous reserves and waterways, however a number (long-tailed bats, kauri snails, long-tailed cuckoo, North Island kaka, bush falcon, North Island weka and North Island robin) are routinely found in production forest, and in some very localised areas hochstetter frog habitat margins have extended into the production forest.

- 11 HFM NZ clients have supported industry research to better understand species utilising the plantation forest, including the long-tailed bat and falcon studies. The long-tailed bat studies by Geraldine Moore and Kerry Borkin that substantially increase understanding of long-tailed bat use of pine forests took place in Kinleith Forest under our management. Both the long-tailed bat and falcon studies were then used to develop industry best practice guidance for the management of these species.
- 12 A summary of the biodiversity initiatives undertaken on HFM NZ land is attached as Attachment 1.
- 13 **General concern with Proposed NPS IB**
- 14 Notwithstanding our strong support for indigenous biodiversity, HFM NZ does **not** support the Draft NPS IB in its current form. In our view it will result in excessive bureaucracy and unnecessary additional costs without achieving any material gains in maintaining indigenous biodiversity within our plantation forests.
- 15 HFM NZ acknowledges that the NPS IB contains some recognition that plantation forest should be treated differently from indigenous forest remnants. However these provisions are limited in scope, their meaning is unclear and their relationship with other parts of the NPS IB is ambiguous.
- 16 For example, Policy 3.10 provides that plantation forest identified as containing Significant Natural Areas (**SNA**) are deemed to be "plantation forest biodiversity areas" (**PFBA**). However, as currently drafted Policy 3.8 of the Proposed NPS IB would require all SNA within plantation forest to be identified and mapped in district plans and for PFBA to also comply with SNA rules in the NES PF and regional and district plans (on the basis that PFBA are still also SNAs)..
- 17 The excessive breadth of the criteria for identifying SNA at Appendix 1 of the Proposed NPS IB means that large areas of plantation forest would be identified as SNA. The surveys required to complete this task would come at enormous cost. We are concerned that there is a high likelihood that district councils will recognise the cost and difficulty of undertaking such identification and mapping and push such costs onto forestry companies through the regulatory processes, as we have already seen in the Horizons region.
- 18 Policy 3.10 applies to PFBA and requires that adverse effects of plantation forestry activities on (a) threatened or at-risk flora must be managed, and (b)

significant habitat for threatened or at-risk indigenous fauna must be managed, to maintain long-term populations of such fauna.

- 19 HFM NZ is very concerned about what this means in practice. For example, it's unclear how these values will be identified, and what requirements will be imposed on plantation forest owners to manage and maintain them.
- 20 With respect to other indigenous biodiversity within PFBAs, policy 3.13 and policy 3.15 require local councils to maintain indigenous biodiversity (including highly mobile fauna) by amending their plans to manage adverse effects of land use on such indigenous biodiversity. These policies could lead to new and stringent regulation of harvesting activities. Again, HFM NZ is very concerned about what this means in practice.
- 21 When a resource consent application is triggered by indigenous biodiversity controls, policy 3.19 contains onerous requirements for assessment of potential adverse effects which would be very expensive to complete in the context of large scale land use such as plantation forest harvesting activities.
- 22 Overall, it is reasonable to anticipate that the NPS IB in its current form will be relied upon to impose significant new restrictions on plantation forestry, costly resource consents and potentially significant delays in harvesting. All will have a significant effect on the economic viability of our clients forests. Perversely these administrative processes will in themselves create no biodiversity benefits.
- 23 HFM NZ considers that the Proposed NPS IB should be substantially modified to address the above concerns and in particular to make a very clear distinction between indigenous forest remnants and exotic plantation forests planted with the specific intent of harvesting. We also believe the NPS IB should place much more emphasis on non-regulatory measures and incentives to support positive outcomes for indigenous biodiversity within plantation forest. The forest industry has voluntarily made significant gains in this area.
- 24 HFM NZ supports the broader and more detailed submissions filed by the Forest Owners Association and the proposals for amendment to the Proposed NPS IB detailed in those documents.

Potential implications for biodiversity

- 25 Numerous studies in plantation forests confirm that plantation forests are beneficial for the maintenance and restoration of indigenous biodiversity. Production forest is planted to be harvested. During the growing phase the plantation forest provides habitat for a range of indigenous species that would otherwise not exist. Harvesting operations can sometimes disturb indigenous biodiversity values. However these values typically make a full recovery over time after the forest is replanted. Furthermore studies have confirmed that the disturbance of harvesting creates habitat, in particular for species such as the NZ Falcon that nest and feed in cutover areas, and long-tailed bats that preferentially feed along forest edges with cutover. For larger forests harvesting and replanting creates a constant supply of a range of habitat types. Consequently, Company HFM NZ considers well managed plantation forests, including with harvesting activities, create significant biodiversity values.
- 26 In addition, many forest owners take active steps to maintain and enhance indigenous biodiversity values in plantation forests through monitoring biodiversity, pest and predator control, and partnerships with other stakeholders.
- 27 HFM NZ is concerned that forest owners may be deterred from pursuing these voluntary initiatives if they perceive that improving biodiversity outcomes within plantation forest will lead to more onerous regulatory control over harvesting activities. This is not a good outcome for biodiversity, but one which is at real risk of occurring if the Proposed NPS IB is introduced in its current form.

Overall costs, benefits and alternatives

- 28 HFM NZ considers that the intended public benefits to biodiversity will not eventuate and that the Proposed NPS IB in its current form will not be effective at achieving its objective on plantation forest land.
- 29 In contrast, HFM NZ considers that the risks and costs of the Proposed NPS IB are much more significant and much more certain.
- 30 We are particularly concerned that given the magnitude of potential costs for forest owners associated with the NPS IB, the CBA for the NPS IB gives only cursory consideration to landowner's costs and makes no attempt to quantify them. This is further detailed in the submissions by Forest Owners Association and PF Olsen. We believe that it is imperative that a robust and complete CBA must be completed before proceeding with the NPS IB.

31 Consultation with maori landowners

32 A significant area of HFM NZ client's forest holdings are located on leasehold land in maori ownership, including forests in Northland, Bay of Plenty, Central North Island and King Country. Having spoken with a number of our forest landowners many seemed to have no knowledge of the NPS IB and are still grappling with the implications of this for the land under their ownership. Given that 33% of plantation forests in New Zealand are located on maori owned land, and the disproportionately high impacts on maori landowners due to the nature of their land holdings, this seems a major failing in the consultation undertaken to date.

33 Conclusion

34 HFM NZ **opposes** the Proposed NPS IB in its current form on the basis that it will not be effective or efficient at achieving its objective of protecting biodiversity on plantation forest land.

35 It will potentially generate an adverse reaction from forest owners that threatens the very values that the Proposed NPS IB seeks to protect and will create significant and disproportionate costs for responsible landowners such as HFM NZ's clients that are already taking steps to actively manage biodiversity on their land.

36 HFM NZ strongly supports the continued and increased use of non-regulatory methods and incentives as the most effective way to achieve the desired biodiversity objectives. Such measures can encourage and support positive actions from forest owners and ensure that the costs of such measures are equitably distributed amongst all those who benefit from the shared biodiversity values.

37 HFM NZ seeks that the Proposed NPS IB be substantially modified to address the concerns raised above and supports the changes proposed by the Forest Owners Association's submission. Alternatively HFM NZ seeks that the NPS IB be withdrawn.

Thank you for the opportunity to submit on the Proposed NPS IB.

Dated 13th day of March 2020



Sally Strang

Environmental Manager
Hancock Forest Management NZ Ltd

Attachment 1: Hancock Forest Management (NZ) Ltd

Summary of Biodiversity Initiatives

The following is a summary of the key biodiversity projects currently underway on the lands of our three clients Taumata Plantations Land, Tiaki Plantations Company and OTPP Forests. These initiatives in many cases stem from requirements of our FSC certification. The initiatives also seek to create linkages with local communities and environmental groups to strengthen relationships and support the company's license to operation.

INDIGENOUS FAUNA RECOVERY PROJECTS

Under FSC Certification, HFM NZ is required to identify any rare, threatened or endangered species utilising the forest, and put in place measures to protect populations from significant impacts of forest operations, and where applicable to undertake measures to enhance key populations. Through a review of species distribution information and advice from Department of Conservation specialist staff, HFM NZ has established a register of threatened species utilising the plantation forest.

Where necessary HFM NZ has put in place management plans to protect threatened species populations. The following is a summary of key threatened species recovery projects currently taking place on HFM NZ managed land.

Kiwi Recovery Projects (Northernland and Bay of Plenty)

HFM's directly undertakes kiwi recovery initiatives in two forests:

- Whatoro Kiwi Recovery Project, based in Taumata's Whatoro Forest in Eastern Northland. Whatoro Forest is located in an area with naturally high kiwi populations and was also selected as a priority due to its location between two Department of Conservation (DoC) forests actively managed for kiwi. HFM joined forces with the Northland Regional Council (NRC), Department of Conservation and neighbours to develop a Community Pest Control Area over approximately 1200ha including Whatoro forest and three neighbouring farms. NRC have provided financial support for the initial set up and running of the project, with HFM NZ and the three neighbours responsible for longer term management. The main objective of the project is to control kiwi predators within the project area, to extend the area of protected kiwi habitat and enhance kiwi survival. The project was finalized and signed off in mid-2013, with predator trapping

commencing in September 2013. Ongoing kiwi listening is planned to take place every second year to monitor the success of the project. Trap catch records are also maintained to help prioritise trapping within the forest. Through the CPCA, HFM and the adjacent landowners have made a long term commitment to predator control in the area.

- Gammons Forest kiwi recovery project managed by HFM NZ with an area of approximately 2060 hectares under predator control.

HFM NZ also supports four other community lead kiwi recovery projects in Northland under the Kiwi Coast umbrella - Taheke Landcare Trust (Ngunguru Forest), Kiwi Links (Whanui Forest), Marunui Kiwi Recovery Projects (Waipu) and the, Ngawha Power Station predator control programme (Rakatao Forest) . In all cases Taumata Plantations provides financial support, along with in-kind support by HFM staff, and the projects incorporate HFM NZ managed forests within the project area. It is hoped that this and other projects will help to create a network of protected habitat to help halt the decline of kiwi in the wild in Northland.

All contractor's staff working in Northland forests are provided with training to identify kiwi sign, and protocols to follow if kiwi are encountered. Where nest sites are found within harvest areas that cannot be protected, HFM coordinates with DoC to have the eggs relocated to an incubation facility under an initiative called Project Nest Egg, which raises kiwi for release back in the wild.

In the Bay of Plenty HFM NZ recently took over management of forests owned by OTPP NZ Forest Investments Ltd, with known kiwi populations in the Whakatane area. OTPP provides financial support (\$5k pa) for predator control in the Tuararangaia Forest contiguous with the Omataroa Kiwi Project area sponsored by Rayonier.

HFM undertakes annual kiwi call surveys in our Northland Forests to build up a picture of kiwi populations in our forests, which is then used in the planning of operations (to identify areas where kiwi are likely to be encountered) and also to prioritise kiwi recovery initiatives. Work is now underway in our Bay of Plenty Forests to do the same.

Surveys have confirmed ongoing improvement in kiwi numbers in the recovery project areas, including in forests where substantial harvesting has taken place which is particularly pleasing.

Pungapunga Whio (Blue Duck) Recovery Project – Waituhi Forest, Taumata Central

For a number of years staff had been aware that whio were present along the riparian margins of the Pungapunga Stream that runs through Taumata's Waituhi Forest (near Taumarunui) from Department of Conservation land. Pungapunga Stream's near natural state provides perfect habitat but predators are an ongoing issue. A 2009 survey confirmed four pairs of whio using the stretch of the river. In 2010 HFM commenced a predator control programme with financial support from Horizons Regional Council initially, and more recently Genesis Energy (a power generation company which supports whio recovery projects). Over time, the project area has been extended to provide protection over a 5km stretch of the stream, with pest control efforts focused mainly during the breeding season.

Recent whio surveys have confirmed 5 breeding pairs on the section of the river under control, so it is unlikely the resident population will increase, but the project will greatly enhance chick survival to repopulate suitable habitat in the adjacent Department of Conservation estate. Annual surveys confirm nesting success. 2014 was the best year to date with the survey confirming 13 chicks successfully reared in the project area.



Blue duck pair with fledgling chicks, Pungapunga stream whio project, Waituhi Forest.

Hochstetter Frog Management - Torere Forest, Taumata Eastern

Populations of Hochstetter's frogs have been found in several HFM managed forests, with the largest populations in Torere and Waikawa Forests in the Eastern Bay of Plenty and Waipu Forest in Northland. A number of past frog surveys confirmed the presence of Hochstetter's frogs in the forest. HFM has carried out more detailed surveys prior to harvest in all forests.

In all cases where harvesting is to take place the areas have been clearly delineated on harvest plans with the greatest care taken by harvesting crews to minimise disturbance to habitat areas. Replant boundaries will be assessed taking into account the habitat extent and populations resurveyed after re-establishment.

Mokaihaha Kokako Recovery Project (South Waikato District)

In 2014 DOC approached Hancock regarding the possibility of assisting with funding to reinstate pest control in the Mokaihaha Reserve, a DOC reserve with a known resident kokako population adjacent to Kinleith Forest. Predator control had been carried out by DOC in the past but ceased in 2006 due to funding constraints. A 2015 population survey confirmed an estimated population of 108 birds in the reserve.

The first pest control operations have been carried out last winter, with plans for ongoing trapping. It is hoped that with pest control the resident population occupying 850 hectares of the Mokaihaha reserve will grow and expand into suitable habitat, both within the DOC reserve and adjacent reserve in Kinleith forest. The long term vision includes developing public access to the area to enable members of the community an opportunity to hear and observe this rare and unique bird in the wild.

HFM NZ provides annual funding support with funding assistance also from South Waikato District Council, Forest and Bird, Waikato Ecological Enhancement Trust and Raukawa Charitable Trust. HFM NZ has already provided in-kind support to enable public access to the area through moving a forestry gate, constructing a carpark and putting in place a public access easement.

INDIGENOUS RESERVE RESTORATION PROJECTS

The HFM NZ manages a network of approximately 38,000ha of indigenous forest remnants scattered throughout the plantation forest estate. Reserve areas are protected under the NZ Forest Accord - an agreement between the NZ Forest Owners Association and a number of ENGO's which prevents the conversion of indigenous vegetation that meets the Forest Accord criteria to plantation forest. Many reserves in the estate have also been identified through regional and district plans as Significant Natural Areas and are therefore protected through rules in regional and district plans.

FSC certification requires that the company clearly identifies a network of indigenous reserves and puts in place controls to protect reserves during operations and in some instances undertakes reserve enhancement work to enhance degraded reserves. All reserves in the HFM NZ managed estate are mapped in the company's GIS mapping system and have been surveyed in the past by ecologists to establish the key indigenous values present and any threats to those values. All reserves are identified during the planning phase of operations, with controls put in place so that operations are undertaken in such a way as to minimise damage to reserves.

HFM NZ undertakes an annual reserve restoration programme. Annual reserve work is prioritised based on the ecologist's recommendations, and in some instances by community interests. The following is a summary of some of the key reserve enhancement projects currently underway on the HFM NZ managed estate.

Wetland Enhancement Projects

All viable wetlands in HFM forests have been identified and mapped as reserve, as required by FSC, and many have also been identified as Significant Natural Areas under District Plans. While the original extent of the wetlands remains, a lot of the wetland area in our Central and Eastern region forests have been inundated with introduced weed species, in particular Grey Willow. HFM commenced a wetland restoration programme in the Central and Eastern regions.

In Central region, to date, nine wetland areas have now been treated in Kinleith Forest totalling approximately 130ha. For the largest of these projects, the Hoiho Road and Moorhouse Road wetlands, the work was completed with external financial support from the Waikato Ecological Enhancement Trust and South Waikato District Council respectively.

Restoration projects have typically focussed on control of introduced weeds, to enable native vegetation to re-establish. Once fully re-established the thick sward of native vegetation should prevent re-infestation of exotic weed species and create improved habitat for native species. Following the harvest of plantation trees surrounding wetlands, HFM also reviews replant boundaries and where necessary the replant is setback from the wetland to create a protective buffer. In two particularly significant wetland areas in Kinleith (Lake Rd lake and wetland, and Hoiho wetland) HFM has also established ongoing animal pest control operations to enhance native bird populations utilising the wetlands.

In the Taumata Eastern Forests, wetland restoration projects has focussed on the 110ha Houpoto Forest wetland, which has been identified as a wetland of regional significance. Being a maori lease forest, the restoration work has been undertaken in conjunction with the maori landowners and with support from the Bay of Plenty Regional Council. The Houpoto wetland project has largely been focussed on weed control.

More recently HFM NZ has undertaken enhancement work on the Te Ranginui Road wetland in Orete Forest. Te Ranginui Rd wetland is a small Kaihikatea wetland located on an old mudstone landslide feature in Orete forest. The forest is in good condition but the juvenile native plants were overtopped by large grey willow. A two year control programme is underway to remove the grey willow.

The wetland restoration projects have assisted HFM to meet FSC requirements relating to management of reserve set aside areas.



Mangatapu wetland restoration project – Kinleith Forest

Dactylanthus taylorii – Kinleith Forest, Taumata Central

Dactylanthus was identified in a reserve in Taumata's Kinleith Forest near Tokoroa around 5 years ago. Dactylanthus is vulnerable to damage by browsing animals, and in particular pigs. With assistance from DoC, protective cages have been installed over the identified plant locations and the population is monitored annually with advice being provided by Dept of Conservation and representatives from the Rotorua Ecological Society.

Raukawa Totara Heritage Project

In 2014 the Raukawa Charitable Trust (the representatives of the maori people who traditionally inhabited the area around Kinleith Forest) advised HFM of its aspiration to establish a resource of plantation grown Totara (*Podocarpus totara*) for future cultural use by the Raukawa people. Totara is a native tree species traditionally used for construction of buildings and in carving. The vision is to establish a well-managed Totara crop for future use. HFM and the directors of Taumata Plantations were supportive of the idea and HFM staff worked with Raukawa to identify a suitable location within the forest.

The area on Tawa Rata Rd in Kinleith Forest now known as 'Taranaki' was identified as a possible site. It had in the past been grazed and was overgrown with blackberry and willows. The site was cleared of weeds in early 2015 and in August 2015, HFM and Raukawa gathered together to undertake the first planting on the site. The advice from the indigenous tree specialists was to first plant a nurse crop of native species (manuka and pittosporum) and when this reached sufficient height, to under-plant the area with Totara. The nurse crop will provide shelter to the young totara seedlings and assist them to grow straight and tall.

3,000 seedlings were planted in August 2015 by a large gathering of Raukawa Iwi, HFM staff and supporters from South Waikato District Council, Forest & Bird Society, Mighty River Power, the New Zealand Forest Research Institute (Scion) and children from local schools Te Kura Kaupapa Maori o Te Hiringa and Te Wharekura o te Kaokaoroa o Patetere. The next key step will be the planting of the Totara crop in approximately 2018. The project is seen by Raukawa as a flag ship project with significant interest from their people, other Iwi and even the media.

Dune Lake buffers – Te Kao Forest

Te Kao forest in the Far North contains two large dune lakes, Morehurehu and Te Kahika, which are rare within Northland and therefore designated as Significant Natural Areas by the Far North District Council. Under the FSC® (Forest Stewardship Council that HFM is certified to, the areas have also been identified as High Conservation Value (HCV) Areas due to them being classified as rare ecosystems. The lakes riparian margin vegetation provide habitat for a range of rare species including Bittern, Fernbird, Dabchicks, Black shags, Grey duck, Scaup and the rare native fern *Todea Barbara*.

HFM has developed management plans for the lakes' ecosystems in consultation with the forest landowners Parengarenga-A Incorporation. Following harvesting HFM is retiring a 20m buffer zones around the lakes edges and undertaking control of exotic weeds to allow regeneration of native species. Target species in these operations include wilding pines, golden willow and the pest plant *Oxylobium*. Weed control has been undertaken progressively, cutting and poisoning target weed species to enable the native species to achieve canopy closure, improving the overall ecology of the rare dune lakes ecosystem.



Lake Te Kahika dune lake buffer cleared of weed species, Te Kao forest