

SUBMISSION ON PROPOSED NATIONAL POLICY STATEMENT FOR INDIGENOUS BIODIVERSITY

To: Ministry for the Environment
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Submitter: **Pan Pac Forest Products Ltd – Forests Division**
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Submission: **Oppose** the Proposed NPS-IB and seek that it be substantially amended in response to the concerns expressed below or otherwise withdrawn entirely.

Introduction

1. Pan Pac Forest Products Ltd (**PPFP**) is an integrated forestry/timber company wholly owned by Oji Holdings Ltd, located in the Hawkes Bay region near Napier. For over 45 years PPFP has been growing and processing sustainable *Pinus radiata* products in New Zealand and delivering them to both domestic and international markets. We have three operating divisions – Forests, Lumber and Pulp. The Forests division forest area¹ is comprised of 46,311 hectares with approximately 35,000 hectares in exotic plantation and approximately 4,720 hectares (>10%) in indigenous forest. The remaining area is comprised of infrastructure, areas awaiting replanting, and unplanted land not under indigenous cover.

Land ownership (~38,990 hectares) of ex-Crown Forest Licence plantation forests has been transferred to four separate iwi post-treaty settlement governance entity groups. PPFP leases and manages the plantation forests and has a business and a community partnership relationship with these entity groups.

PPFP trees provide for 40% of the lumber and pulp demand, and the remaining 60% is sourced from other forest companies or private wood owners. The Lumber division is the largest producer of appearance grade lumber in New Zealand. PPFP export to over 16 countries with our largest markets in Asia and the USA. The Pulp division produces both thermomechanical pulp (TMP) and bleached chemi-thermomechanical pulp (BCTMP) for manufacturing newsprint or cardboard products.

2. PPFP **opposes** the Proposed NPS on Indigenous Biodiversity (the **Proposed NPS**) in its current form.
3. Overall PPFP considers unless the document is substantially modified it will result in significant costs for limited environmental benefit and creates real risk of exacerbating the loss of biodiversity on private land.

¹ Based on 2019 figures.

Support for indigenous biodiversity

4. PFPF supports the broad objective of the Proposed NPS and is very conscious of the value of biodiversity. It prides itself on being an environmentally responsible company that adopts sustainable management techniques throughout its forestry operations, for example but not limited to:
 - Actively manage falcon nesting in our forests, where we will move harvesting or land preparation that have the potential to affect nest activities.
 - Work with community groups in long-tail bat surveys on land adjoining our plantation forests, by providing access through our operational areas and accommodation at the forest headquarters.
5. FSC® has promoted the management of global forests in an environmentally sound, socially beneficial and economically prosperous manner. Since 2001 PFPF has held FSC Forest Management (FSC® C017103) certification. PFPF Pulp and Lumber divisions also have FSC Chain-of-Custody certification (FSC® C006931 and FSC® C106229). The FSC® standards that PFPF's certification is measured against, have rigorous principles and criteria for maintaining and/or enhancing high conservation values related to rare, threatened or endangered indigenous ecosystems and habitats that are either in PFPF's managed forests or adjoining wood resourcing locations throughout New Zealand.
6. PFPF deems the use of non-regulatory methods and incentives as the most effective way to achieve biodiversity objectives. In addition to our FSC® certification commitments, PFPF also undertakes many other initiatives to support and maintain indigenous biodiversity. Examples of these initiatives are:
 - i. *Pan Pac Forest Products Environmental Trust*

A condition volunteered by PFPF (when applying to the Hawkes Bay Regional Council for a discharge activity resource consent) to establish an environmental trust to support initiatives that are designed to benefit Hawke Bay and the Hawkes Bay community. Initiatives funded are for environmental projects (i.e. promoting enhancement, restoration and protection of the environment) and cultural initiatives (i.e. offset cultural impacts on Mana Whenua Hapū). Allocation for Trust grants total \$100K per year for the duration of the resource consent, which expires December 2052.
 - ii. *North Island Brown Kiwi Initiatives*

PFPF has had a long-standing relationship the Kiwi Crèche at Lake Opouahi in Hawkes Bay. The crèche was established by the ECOED Trust in 2008. The crèche is a 40 ha predator-free area surrounded by a 3.3 km predator-proof fence. PFPF sponsors the maintenance of the crèche and the predator-proof fence. The purpose of the crèche is to relocate, from the wild to the safe-haven, north island brown kiwi chicks, until the chicks grow to a certain weight and are deemed able to defend themselves against predators. The chicks are then relocated to Kawaka Forest Park that bounds Kawaka plantation forest managed by PFPF. An additional \$25K over the next two years for operating costs of the crèche has been committed by PFPF.

As part of the extensive PFPF predator control programs, PFPF has established in Kaweka forest 150 mustelid traps along the boundaries of DOC land and PFPF managed land, aiming at reducing and eliminating predators, to increase the chances of survival of released kiwi chicks. The importance of kiwi protection is an important biodiversity program to PFPF and is reflected through the contribution of our in-kind support (labour and baits) to the value of \$20K a year. Between December 2017 to August 2019 the mustelid traps have exterminated over 630 pest species (ferret, hedgehog, possum, stoat, rat, cat).
 - iii. *Wetland Monitoring*

Hawkes Bay Regional Council (HBRC) initiated the state of environment monitoring program for wetlands in 2016. The program was rolled out to the HBRC TANK catchments in 2018-19 with the

support of landowners of chosen wetlands. PFPF was offered the opportunity to partner with HBRC in the monitoring program. Under the program two wetlands within PFPF's Kawaka forest, totalling 18 ha and within the Maungaharuru and Kaimanawa ecological districts, were monitored including the identification of three wetland birds – Spotless Crake, Fernbird, Australasian Bittern, which all are good indicators of wetland habitat condition. These birds are classified as 'threatened' or 'at-risk' due to habitat loss and predation. HBRC's overall assessment of both wetlands returned a wetland condition index score of 20 and 23 (=Excellent).

Also within the Kawaka forest are an additional six wetlands ranging from 1 ha to 2.5 ha in size and totalling 11 ha, that PFPF manages in consultation with HBRC. Predator control is undertaken through recreational hunting and contracted operations to keep populations in check; plant pest species continue to be monitored and efforts made to eradicate where possible, particularly willow species. All forest activities (harvesting, roading) ensure planning and monitoring is in place to minimise/eliminate impact to the wetlands.

iv. *Guthrie-Smith Trust – Lake Tūtira Wetland Development Project*

Pan Pac Forest Products (PFPF) has enjoyed a long association with the Guthrie-Smith Trust – a charitable trust founded in 1942 for the purposes of promoting Herbert Guthrie-Smith's (naturalist) vision by transforming 90 ha of land into an ecologically-important haven for a wide section of native birds and a repository of rare and endangered trees, plants, and other flora. A recent land donation to the Trust of 30 ha adjacent to the perimeter of Lake Tūtira has enabled the Trust plan for the development of a large wetland area. The wetland is recognised as being a vital component to the improvement and future maintenance of Lake Tūtira water quality, as well as providing increased wildlife habitat, educational and recreational benefits for the future. In early 2020 PFPF committed \$25K towards the removal of non-indigenous trees to assist with the Trust's improvement program.

v. *Community Biodiversity Group Involvement*

Poutiri Ao o Tane community group was established over 20 years with the aim to support native bird species return to and flourish within the Maungaharuru-Tūtira catchment. Now part of Predator Free Hawkes Bay, the community group is still active with several projects that meet its objectives, including re-introducing korure, kaka and titi to the Boundary Stream inland island. PFPF has had a long association with the community group.

7. Notwithstanding its support for indigenous biodiversity, PFPF does **not** support the Proposed NPS in its current form because it is likely to result in unnecessary additional costs without achieving any material gains in maintaining indigenous biodiversity within plantation forest. To support this statement, the length of DOC conservation area adjoining PFPF managed forests is estimated at 233km (Figure 1). PFPF considers it already has a significant challenge and cost to manage pest flora/fauna species in our plantations that adjoin the larger areas of unmanaged DOC land. Examples are:
- *Pinus contorta* wildling control program, where *P. contorta* on DOC land adjoining PFPF is annually eradicated through PFPF and HBRC financial assistance; and
 - Predator control program in Kaweka forest for released kiwi chicks where PFPF has established mustelid traps along the boundaries of DOC land and PFPF managed land, aimed at reducing and eliminating predators.
8. PFPF acknowledges that the Proposed NPS 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 Proposed NPS is ambiguous.
9. 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 would require all SNA within plantation forest to be identified and mapped in district plans.

10. The excessive breadth of the criteria for identifying SNA at Appendix 1 of the Proposed NPS means that large areas of plantation forest would be identified as SNA. The surveys required to complete this task would come at enormous cost and achieve little benefit in terms of maintaining indigenous biodiversity.
11. 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.
12. PFPF 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.
13. With respect to other indigenous biodiversity within PFBA, 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, PFPF is very concerned about what this means in practice.
14. 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.
15. Overall, it is reasonable to anticipate that the Proposed NPS in its current form will be relied upon to impose significant new restrictions on plantation forestry. Such measures would impose considerable additional costs on PFPF operations.
16. PFPF considers that the Proposed NPS should be substantially modified to address the above concerns and should place much more emphasis on non-regulatory measures and incentives to support positive outcomes for indigenous biodiversity within plantation forest.
17. PFPF supports the broader and more detailed submission filed by the Forest Owners Association and the proposals for amendment to the Proposed NPS detailed in that document.

Potential implications for biodiversity

18. Numerous studies in plantation forests confirm that PFPF 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, 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, PFPF considers well managed harvesting activities present little threat to biodiversity values.
19. 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.

20. PFP 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 is introduced in its current form.

Overall costs, benefits and alternatives


21. PFP considers that the intended public benefits to biodiversity will not eventuate and that the Proposed NPS in its current form will not be effective at achieving its objective on plantation forest land.
22. In contrast, PFP considers that the risks and costs of the Proposed NPS are much more significant and much more certain. These costs have been discussed above.

Conclusion

23. PFP **opposes** the Proposed NPS 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.
24. It will potentially generate an adverse reaction from forest owners that threatens the very values that the Proposed NPS seeks to protect and will create significant and disproportionate costs for responsible landowners such as PFP that are already taking steps to actively manage biodiversity on their land.
25. PFP 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.
26. PFP seeks that the Proposed NPS be substantially modified to address the concerns raised above or otherwise that it be withdrawn.

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

Dated 13th March 2020



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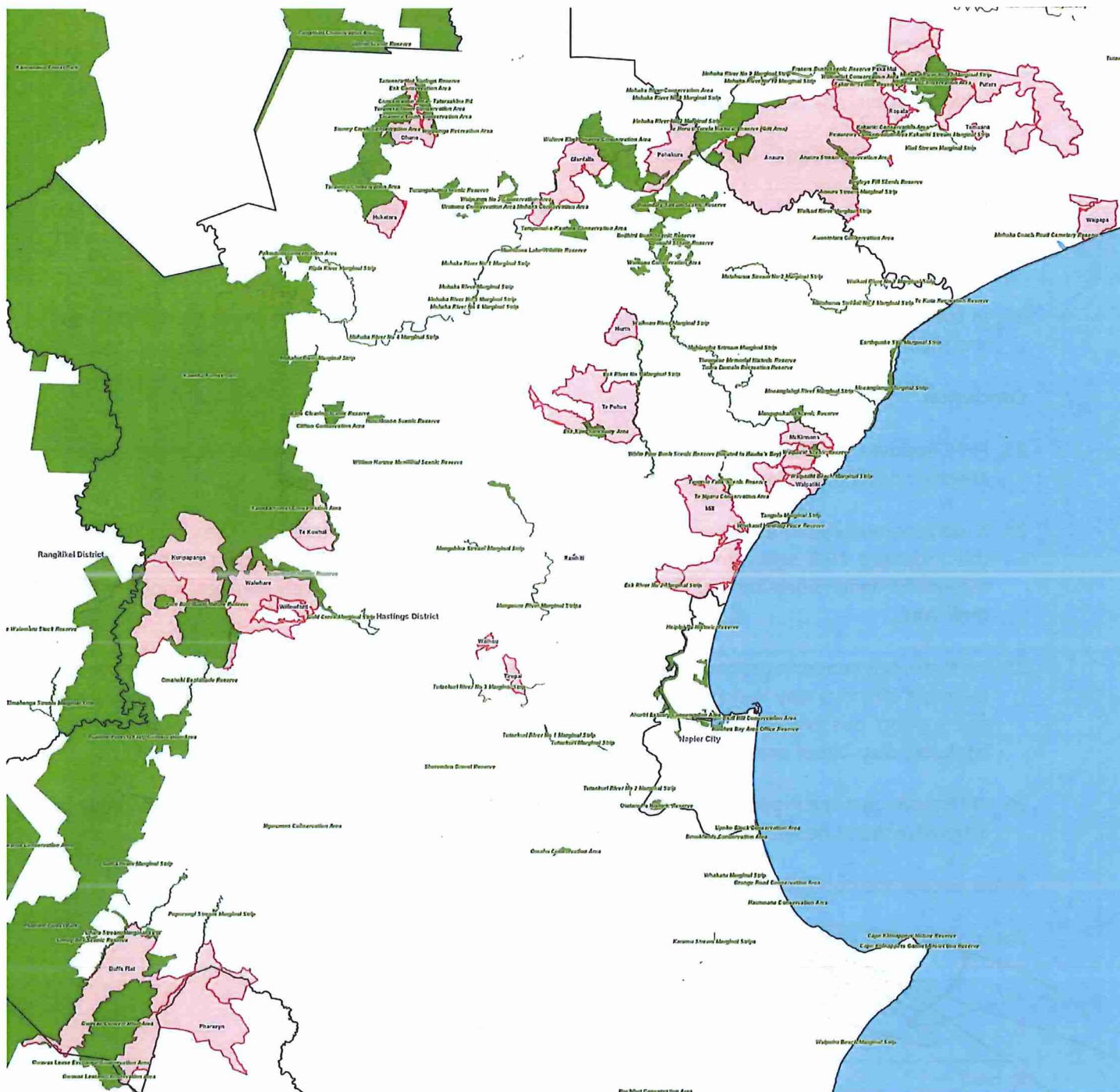


Figure 1. DOC conservation land adjoining PFP plantation forest within Hawkes Bay totals 233km. The larger areas of unmanaged DOC conservation land adjoining PFP forest equates to 136km and includes Kaweka and Ruahine Forest Parks. (Note: Green=DOC; Pink=PFP).