



Submission

06 April 2023

TO THE Ministerial Inquiry on Land Use Panel

ON THE

Ministerial Inquiry on Land Use

BY

Beef + Lamb New Zealand Limited

SUBMISSION ON THE MINISTERIAL INQUIRY INTO LANDUSE

To: Ministerial Inquiry on Land Use Panel

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Introduction

About Beef + Lamb New Zealand

- 1.1. Beef + Lamb New Zealand (B+LNZ) is an industry-good body funded under the Commodity Levies Act 1990 through a levy paid by producers on all cattle and sheep slaughtered in New Zealand. B+LNZ represents around 9,000 commercial farming businesses, providing around 35,000 jobs across New Zealand. The sector is a significant contributor to New Zealand's economic well-being.
- 1.2. B+LNZ's vision, or desired future for New Zealand's sheep and beef producers, is 'sustainable and profitable farmers, thriving rural communities, valued by New Zealanders'.
- 1.3. B+LNZ has submitted feedback on the Ministerial Inquiry into Land Use (MILU) for two reasons; to support sheep and beef farmers who are currently unable to fully engage due to being severely affected by Cyclone Gabrielle, and to provide feedback from a sector group that is committed to recognising the nuance of land use and land use practices. Blaming any one sector is not helpful. Rather, B+LNZ wishes to ensure that regulatory frameworks (and their implementation) effectively manage the effects and risks associated with both land use and land use practices regardless of sector. Regulatory approaches are only as effective as their implementation.
- 1.4. B+LNZ submits that engagement through an inquiry lasting only six weeks after a major event cannot be seen as adequate and meaningful engagement. Many pastoral farmers are still focused on the physical recovery of their farms and in their communities. In addition they have had no or limited connectivity (roads, phone lines, and internet) since Cyclone Gabrielle which will and has, severely limit their ability to engage.
- 1.5. This process should additionally include national experts and industry bodies such as B+LNZ. This topic needs continuing discussions and should be seen as an opportunity to learn from the past and get things right going forward.

Position Summary

- 1.6. B+LNZ is pleased that the Minister has introduced this inquiry due to the impact that both Cyclone Hale and Cyclone Gabrielle has had on sheep and beef farmers and their associated communities in the Te Tairāwhiti, Tūranganui-a-Kiwa, and Te Wairoa region. B+LNZ acknowledge that changes need to be made to prevent similar effects occurring in the future, and that this inquiry is long overdue.
- 1.7. B+LNZ do not support the short inquiry timeframe. The six-week period is inadequate and does not provide farmers with a fair opportunity to submit. Sheep and beef farmers impacted by Cyclone Gabrielle are still grappling with their livelihoods being turned upside down, they have limited capacity to give adequate attention to submitting.
- 1.8. The inquiry needs to include meaningful engagement with bottom-up input into decision making to provide appropriate policy decisions that provides for the geography of the region both now and into the future. This is not possible within six weeks.
- 1.9. The inquiry is equally about land use practices as it is around land use. We acknowledge that good management practices are equally as important as what land use is.
- 1.10. We agree with the Local Government New Zealand (LGNZ) submission that, at the very least, the current settings in the National Environment Standard for Plantation Forestry (NES-PF) should be reviewed, and policy direction considered. It is acknowledged that developing new policy settings will be complex, and that it should rely on local inputs providing for local solutions and decision making.
- 1.11. New Zealand's soils are relatively young. This has contributed to instances of forestry slash and sediment damaging waterways and communities across the country (including in Northland and Nelson). While the focus of the Panel's work is on Te Tairāwhiti, Tūranganui-a-Kiwa, and Te Wairoa, and discussions with those communities, the Panel should consider whether there is a place for broader recommendations to the Minister.

Feedback

Section 1: Impacts and Experiences

Inquiry Question 1: Tell us about your experience during Cyclones Hale and Gabrielle? What effects have you experienced?

- 1.1. B+LNZ as an industry body cannot speak on behalf of individual farmers on the extensive damage they have experienced from Cyclone Hale and Gabrielle. In our view it is the comments from individual farmers that will provide a true understanding of impacts and experiences.
- 1.2. Although some farmers may have submitted, many more farmers are focused on the day-to-day needs of their farms, families, and communities and submitting on this inquiry isn't a top priority. This inquiry consultation should lead onto further engagement which would provide adequate opportunity for farmer involvement.
- 1.3. Examples of the widespread devastation being experienced by farmers (as reported to us from farmers) includes, but is not limited to:
 - Infrastructure loss including fences, buildings, bridges, roads, and water systems
 - Clearing debris and silt
 - Stock, pasture and crop losses
 - Managing ongoing stock health
 - Significant loss of income and business disruption
 - Loss of asset value
 - Mental stress
- 1.4. We also note that these impacts are not limited to our rural communities. Many urban communities and city infrastructure has also been severely impacted.

Section 2: Causes

Inquiry Question 2: What is it about the way we use land, and how land use has changed over time that led to the effects being so severe?

Inquiry Question 3: Are there specific practices or ways in which we use the land that have caused more harm than others? Which of these practices are most important? Why?

2.1. The current land use is a result of market and policy drivers overtime. From early land clearance for pastoral farming in the 1800s, the region has seen a long history of land use change that has collectively led to the severe effects we are now seeing. This has included:

- **1925:** Government introduced financial incentives to plant imported species to reduce the pressure on native forests.
- **1950s – 1960s:** The New Zealand Forest Service planted pinus radiata as a “protective forest”, alongside other land development schemes that were promoted at the time.
- **1988:** Cyclone Bola created significant sediment loss and infrastructure damage. During this time, it was concluded that fast growing exotic species (e.g. pinus radiata) would provide the best coverage for these fragile landscapes.
- **Present:** Increased forestry plantings fuelled by the New Zealand Emission Trading Scheme (NZ ETS), carbon markets and foreign investment. Greater returns on investment through forestry than sheep and beef farming is increasing conversions. Clear-fell harvesting of plantations planted after Cyclone Bola.

2.2. Since the 1960s efforts have been made to establish erosion control measures in the area. However, it has been unclear if forestry plantings were intended to be clear-felled for harvest on these highly erodible lands or if alternative regimes of management were expected. The region is now facing the consequences of clear-fell forestry that flow from decisions made 35 years ago.

2.3. As Federated Farmers has highlighted, while much has been achieved the soil conservation task is not complete - much remains to be achieved. Despite these efforts and some gains being made it is fair to say that many of the recommendations of the past have not been implemented; or have been poorly implemented; or have resulted

in unintended consequences; or have not been adequately followed up; or in some cases where appropriate, not enforced.

- 2.4. There are many negative impacts of clear-fell forestry including aesthetic impacts, significantly altering ecosystems, and creating a paucity of land and soil cover that is vulnerable to erosion until new species begin to take hold. For these reasons many countries have strict regulations surrounding clear-fell harvesting, however, New Zealand does not¹.
- 2.5. Contributing to the potentially negative impacts of clear-fell forestry is the six-year window of vulnerability and risk of large areas after harvest where the land is not stabilised by roots of old trees nor roots of new trees². The quantity of slash going into rivers from Cyclones Hale and Gabrielle is a factor of this vulnerability window, and harvesting of plantation forestry after Cyclone Bola.
- 2.6. B+LNZ acknowledge that landowners, regardless of how they use their land, have a responsibility to manage the effects of their land use. B+LNZ supports forestry as a land use in many circumstances and understands the contribution it provides to the community through to the economy and in some cases environmental protection. B+LNZ acknowledges also that any land use and management decisions will result in flow on effects to the land that must be brought into consideration. As a result, we believe the inquiry panel must ask questions surrounding the forestry industry including:
 - What type and level of effects is the community willing to accept?
 - How much change to land use or practices is the community willing to accept?
 - What land use is the most appropriate across various landscapes?
 - How would this assessment change based on the management practices undertaken in respect of that land use?
 - How should appropriate land uses and management practises be accessed and enforced and/or incentivised?

¹ Bloomberg, Mark, et al. "Alternatives to clear-felling for harvesting of radiata pine plantations on erosion-susceptible land." NZ Journal of Forestry 64.3 (2019).

² Bloomberg, Mark, et al. "Alternatives to clear-felling for harvesting of radiata pine plantations on erosion-susceptible land." NZ Journal of Forestry 64.3 (2019).

- 2.7. The inquiry needs to learn from those in the region who are successfully planting the right tree in the right place and following good management practices. Pastoral farmers are actively integrating trees within their farming systems – both exotic and native. The trees provide alternative revenue streams, shade and shelter, erosion control, and succession future proofing. However, despite sheep and beef farmers working to achieve the right tree, in the right place they are often the ones missing out on the rewards. For example, not being eligible or recognised for much of the vegetation under the NZ ETS, nor for their on-farm biodiversity.
- 2.8. Land use management in New Zealand is intrinsically linked to Government decision-making and market drivers both historically and presently. Since the early 1990s a key driver of forestry planting and management has been market indications. Trees are harvested when it suits to get the best value-add for the logs. And right now, the market indications to establish carbon forestry are significantly higher than other land uses.
- 2.9. These market indications put a greater weighting on the short-term capital or investment gains rather than the long-term sustainability of that land use. Additionally, markets, particularly under the ETS, have little incentive or pressure to deal with the negative externalities including the management of slash. Current market settings encourage planting new trees and walking away from them or to leave them as existing standing forests. This is because more money can be made through carbon forestry without the associated management costs, for example, pruning, thinning, and harvesting. However, the root to tree weight ratio on soft soils leaves these trees vulnerable to weather events including high rainfalls and wind.
- 2.10. At a regional and district level, councils have attempted to manage the risks posed by forestry activities but have tended to be limited by the bounds of the NES-PF, funding, staff, and time. That is, any regional rule is only as good as its implementation.
- 2.11. As LGNZ indicates in their submission:
- “The approach taken by the NES-PF is generally to permit plantation forestry activities, subject to compliance with certain standards. In effect, the NES-PF comprises a set of rules and standards, but does not set out any policies. This is an issue, as where a controlled or restricted discretionary activity is triggered under the NES-PF, the relevant consent authority is only able to refer to the relevant regional or district planning instruments to determine how to exercise discretion or control. Without any direct*

relationship between the NES-PF rules and standards and these other policy frameworks, there is a policy disconnect....For the vast majority of plantation forestry land, consent authorities have no ability to refuse consent for afforestation or harvesting. Even if there are known soil erosion risks, councils are placed in a difficult position of having to permit forestry activities, with only their own monitoring powers available to ensure compliance.. councils have a limited ability to impose stricter rules than those in the NES-PF. For East Coast councils in particular, the only practical way to achieve the protection of erosion prone land is by linking it to soil characteristics and amending the relevant planning instruments, or finding a way to link the outcome to the NPSFM or NZCPS. For many councils (particularly smaller councils with less financial and other resources), attempting to promulgate more stringent rules that are linked to the relevant national direction (in a way that is not directly connected to forestry), is challenging. The central reason for this is a lack of resource capability, and significant interest and opposition from the forestry sector (including potential appeals). “

- 2.12. The inquiry is also an opportunity to investigate the effectiveness, compliance with, and adoption rate of best practice standards that could go a long way towards managing the risks that differing land uses cause.

Inquiry Question 4: Is there anything else we should know about that has contributed to the damage from severe weather?

Regional Geology

- 2.13. The recent cyclone(s) have highlighted the impact and effects of young geology, poor land management decisions, and severe weather events. The geology of Te Tairāwhiti, Tūrangānui-a-Kiwa, and Te Wairoa is unique to the region with some of the youngest soils in the world that are naturally softer than other regions within New Zealand. As LGNZ highlights, Tairāwhiti comprises 79% steep hill country, with 26% of that land susceptible to severe erosion. This can be compared with 8% susceptibility for the rest of New Zealand. This contributes to the region having some of the worst erosion in the country³. Therefore, regardless of land use, sediment will have a natural movement from the hills to the flats, and the soils are less resilient to severe weather events. The region needs careful management that gives appropriate recognition to its unique geology and topography.
- 2.14. Rivers and steep hillside terrain also contribute by creating accessible pathways for the forestry debris to travel causing destruction and devastation along the way. This

³ Gisborne District Council. "State of our Environment: Our land and soil report." (2020)

impact will take decades to recover from and the intensity and frequency of storm events is only likely to increase due to climate change.

- 2.15. B+LNZ urges that a prudent approach to our land use and management choices is needed, with a high level of local community input, and drawing on the knowledge and experiences of people on the ground. The decisions that we make surrounding land management now will influence the future movement of sediment and the future of local communities.

Section 3: Policy framework, including Legislation, Market settings and Regulations:

Inquiry Question 5: How do the current laws, policies and rules influence the way we use our land? What works well? What is unhelpful? Think about the current legislation, market drivers and conditions, regulations, rules, and the way in which requirements are enforced.

Inquiry Question 6: Anything else you would like to say about the current policy framework?

- 3.1. B+LNZ is concerned that the policy framework is unable to keep pace with the scale of land use change or management requirements. B+LNZ has assessed a trend in land use change to carbon forestry which is recently unprecedented in terms of scale and pace. Since 2017-2022, a total of 175,000ha of sheep and beef farmland has been purchased with the intention to convert into forestry (for honey / Manuka, harvest and carbon forestry). The scale of this has been ramping up over time with 51,000ha purchased in 2021 with the intent to plant. For comparison, the rate of planting in a similar 5-year window at the 'peak' of forestry planting in the early 1990s was 48,000ha/yr (between 1990 and 1995).⁴
- 3.2. In essence, we are seeing new exotic planting occurring across the country without the required forethought of the consequences that our rivers and communities will face 30 (or more) years from now. There is a significant risk that a 'quick response' to the Cyclone Hale/Gabrielle recovery in the region could see vast areas quickly

⁴ Orme and Associates. 2022. Land-use change from pastoral farming to large-scale forestry; Update. Published by Beef and Lamb NZ. <https://beeflambnz.com/sites/default/files/news-docs/Afforestation-Review-2022.pdf>

planted in monoculture, fast growing species. We must consider not just the ease of establishment but also the continuing required management of these areas, the potential risks to our natural environment, and most importantly, the consequences for our local communities.

- 3.3. B+LNZ submits that there is a need to introduce a multitude of requirements on the currently unmanaged land use change to carbon forestry. This must include changes to the NES-PF, NZ ETS and the RMA as the core regulatory controls. Supporting legislation to manage the scale, placement, and management of carbon-driven forestry going forward is also required.

National Environment Standard for Plantation Forestry (NES-PF):

- 3.4. At a national level the NES-PF has been in place since 2017, with the aim of managing the externalities associated with production forestry. B+LNZ support LGNZ comments surrounding the NES-PF and that a review of the NES-PF needs to be completed. At the very least, management expectations need to be extended beyond plantation forestry to capture carbon-only forestry as well.

Markets – NZ ETS , Foreign Investment, and alternative uses for woody debris:

- 3.5. An unconstrained carbon market, and inappropriate foreign investment is driving much of the current land use change. Without urgent changes, we are only fuelling a repeat of history through incentivising inappropriate land use without effective management or forethought. We need adequate control and consideration of the placement, ownership, and management of exotic blanket forestry.
- 3.6. Although the relationship between carbon farming and exotic forestry is a nuanced one, these activities are now tied. We cannot look at the potential mismanagement of exotic forests without looking at the complete lack of management of carbon forests, and the relationship to the wider NZ ETS and Overseas Investment settings. Although proposed changes have been made to some of these policy settings, we have not seen an impact of these on the rate of change occurring on the ground.
- 3.7. Climate change also requires us to think differently about how we do things. This includes the relative costs and value-add of different actions on the land. Currently, there is limited value in utilising slash and debris on much of the land in the East

Coast. However, there is not the market drive, nor incentive or regulations, required to manage this waste product.

- 3.8. The Forest Industry Transformation Plan could provide some much-needed alternative uses for what is currently a waste product. However, this does not address the core risk associated with steep slopes remaining unvegetated as replanting takes hold.

4. Solutions:

Inquiry Question 7: What is your vision for the future of land use in the region?

- 4.1. B+LNZs vision is 'sustainable and profitable farmers, thriving rural communities, valued by New Zealanders'. In the context of this review this includes future land use that provides for the wellbeing of farmers and communities, supports an integrated and diverse landscape, that is well-managed for current and future generations.
- 4.2. B+LNZ support resilient landscapes that have a variety of production options that can feed and provide for farmers and the local community. What we are doing now is not suitable for future resilience. Resilience is defined as the ability to 'bounce back' which is influenced by several things, including diversity within the system, in viewpoints, land uses, and management approaches. Resilience is especially important in terms of adapting to the impacts of Climate change. We see a mosaic landscape that can provide the most value to communities and our landscapes.
- 4.3. It is important to note that different individual sheep and beef farmers may have individual and differing views. As such, there needs to be adequate community driven engagement that builds on existing knowledge and provides space for alternative and new knowledge systems to be recognised.
- 4.4. This inquiry will set the scene for how other regions embark on managing similar land use issues around forestry. Any policy decisions made need to recognise that the decisions not only impact the Te Tairāwhiti, Tūranganui-a-Kiwa, and Te Wairoa region but all New Zealand.
- 4.5. In addition, there may be a requirement to address national level legislation to create effective adoption in the Te Tairāwhiti, Tūranganui-a-Kiwa, and Te Wairoa regions. As LGNZ has highlighted, councils have a limited ability to impose stricter rules than

those in the NES-PF. For East Coast councils in particular, the only practical way to achieve the protection of erosion prone land is by linking it to soil characteristics and amending the relevant planning instruments or finding a way to link the outcome to the National Policy Statement for Freshwater Management (NPSFM) or New Zealand Coastal Policy Statement (NZCPS).

- 4.6. With climate change a present issue, we need to ensure any decision we make considers the potential impacts first and foremost and prevents similar damage as Cyclone Gabrielle into the future. Current land management practices may need to change and have a longer-term view for what challenges our rangatahi will face.
- 4.7. B+LNZ supports land uses that include woody vegetation cover to reduce the risk of sediment loss. This woody vegetation can be in the form of natives, exotics for harvest, and/or space planted poplars and willows. However, the management of these species is critical, ongoing and dependent on the species and intended use chosen.
- 4.8. Spaced planted poplars and willows can provide for shade, shelter, and fodder in addition to erosion control. There are mixed views on the effectiveness of this management approach, but the most recent science indicates that it can manage 70 per cent of the potential sediment loss from slips in grasslands⁵.
- 4.9. Some exotic tree plantings can live longer than their intended harvest dates and have the potential to provide shade and shelter for native species to regenerate underneath. This is strongly dependent on location and conditions of the site. The geologically sensitive region of Te Tairāwhiti, Tūranganui-a-Kiwa, and Te Wairoa means large trees on shallow and slippery soils can outgrow their placements resulting in the roots not supporting the trunk or branches.
- 4.10. In areas that are challenging to build soil on, farmers are fencing and retiring land where they are able and can afford to. Financial assistance could provide an opportunity for these farmers to retire highly erodible land faster. Fencing, planting, and maintenance costs must all be considered. This is especially the case after the cyclone where hillsides are now on the move. Indigenous plantings of large blocks and managed retreat of forestry and farming may be suitable in some locations. The

⁵ Spiekermann, Raphael I., et al. "Quantifying effectiveness of trees for landslide erosion control." 2021. Basher, Les R. Erosion processes and their control in New Zealand. Manaaki Whenua, 2013.

inquiry may wish to recommend further work and engagement in this area. Any engagement in this space needs to ensure solutions are community and farmer led.

Although there are many benefits associated with retiring land it is not always a cheap nor easy exercise. Retired land still needs adequate management including pest trapping, fencing, and weed control at the farmers expense. We understand that from an RMA perspective, it would be challenging to adopt / develop policy that actually incentivises retirement. This may only be achieved by putting in place a strong policy framework that restricts use, and forces land use change. We would not support this approach.

- 4.11. We understand that there will always be a challenge in deciding 'who pays.' Councils are always challenged with doing what they can with the rates that their communities are willing to pay and its never an easy ask to increase these. Although using some levy funding from the forestry industry could be used to support Council compliance, the alternative is to increase the fee structure as part of compliance with permitted activity or consent conditions. Changing how a levy can be used is harder than one may think at first blush and of course no one likes to increase the costs they pay.
- 4.12. There remains a question as to whether it is fair to have an industry pay for the enforcement of some of their members or for the members to pay for their own enforcement. LGNZ have suggested that the forestry levy system is amended, to ensure that funding (from the levy) can be allocated and used for mitigation and repair of any off-site damage caused by discharge from forestry activities. B+LNZ as industry body funded through levies wants to highlight that this system would be complicated to change implement and questions the principle of wider levy payers paying for localised efforts.
- 4.13. At the end of the day the practices we use at present need to consider the impacts of climate from a land use and land practice choice. It is likely that we already have many of the tools that would be needed when faced with extreme events.⁶ This may include requiring greater fire breaks and water storage capabilities as well as changes to forest management practices regarding sediment and slash traps.

⁶ Basher, Les R. "Impacts of climate change on erosion and erosion control methods – a critical review." (2012). <https://www.mpi.govt.nz/dmsdocument/4074/direct>. Retrieved April 5, 2023

However, it can be much more challenging to manage the impact of widespread pest or disease on forest.⁷

Inquiry Question 8: What do we need to do to achieve this vision?

In the immediate to short-term (present to 2 years):

- 4.14. The inquiry process needs to ensure greater community engagement opportunities through a longer submission period without the emotional, mental, and physical pressures of Cyclone Gabrielle. This inquiry needs to support getting policy settings right at the front end rather than delivering results with unforeseen consequences that could have been mitigated.
- 4.15. There needs to be a mechanism for ongoing community engagement, whether this is a community forum or longer submission period with ongoing community meetings.
- 4.16. Changes must be made to the NZ ETS to ensure that current land use change does not outstrip the pace of community decision-making.
- 4.17. A review of the NES-PF (its conditions, implementation, and compliance) must occur. If this is the key policy tool for managing the industries effects and externalities on sediment and slash management, then it must be fit for purpose.
- 4.18. A moratorium of exotic forest entry into the permanent forest category of the NZ ETS should be imposed until an effective regulatory regime is in place to manage this type of land use effects.

Within the medium to long term (3 – 10 years):

- 4.19. Support must be given to landowners to transition their land use type and practices to ones that are going to be the most resilient to the impacts of climate change and provide the best value add for their communities. This must consider how people will be active in our landscapes and build on the work done by the Erosion Control Funding Programme (ECFP). Alternative approaches may also need to be adopted given the recent impacts of Cyclone Gabrielle.

⁷ Watt, Michael S, et al. "Assessment of multiple climate change effects on plantation forests in New Zealand, Forestry." An international Journal of Forest Research 24 (2018).

4.20. The support to transition will also need to include supporting landowners with native plantings and retirement in areas where suited including support for pest and weed management, fencing and maintenance into the future. Support could take the form of financial recognition of the improved biodiversity outcomes retirement can bring.

Inquiry Question 9: Is there anything that shouldn't be changed, for example, things that if changed would make it worse?

4.21. Any changes to existing legislation or market settings need to ensure that land owners do not lose flexibility in making decisions surrounding how they use their land and its resources. This coincides with the ability for farmers to have resilience within their farm systems and have the tools to mitigate future climate change. Any changes also need to maintain adequate vision and value setting, and community engagement as per the RMA.

Inquiry Question 10: In your view, which groups need to be involved in developing solutions and what is the best way for these groups to be involved?

4.22. B+LNZ supports engagement that focuses on multi-faceted and integrated engagement plans that give people and communities an opportunity to have their say without disadvantage. This six-week inquiry process is already seeing key communities disadvantaged due to the conflict of dealing with the devastation of the cyclones on their farming systems whilst trying to engage in the inquiry. B+LNZ appreciates the inquiry allowing in person and online submissions.

4.23. Key groups need to include a diverse range of interest groups within the community. It needs to include local communities, catchment groups, sheep and beef farmers, and tangata whenua to name a few. Communities are the best informed to make decisions on what a community is willing to accept and define what resilience means to them.

4.24. Although there needs to be key groups involved in developing solutions, there needs to be the opportunity for all people, whether recognised as a key group or not to be able to contribute and have their say.