

ENVIRONMENTAL IMPLICATIONS OF THE MINING POLICY

by

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When the Conference papers were bound on 31 August we had not received the above paper. If it is received later, we will send you an copy.

COMMERCIAL EXOTIC FORESTRY VS. NATURAL HABITATS

ON PRIVATE LAND

An outline of a presentation by Guy Salmon to the ECO Annual Conference, 4 August 1984

Just as visits to our ports by nuclear ships is only a small, symbolic aspect of New Zealand's involvement in ANZUS and its support of nuclear policies, so too the Forestry Encouragement Grant Scheme is only a small, symbolic aspect of New Zealand's support for the destruction of native forests.

Symbols are important in public debate but we need to remember that getting rid of the symbol does not get rid of the main problem.

While I have been invited to speak about "Forestry Encouragement Grants" I should like to take the opportunity to widen the issue to the title "Commercial forestry vs. natural habitats on private land".

Forestry Encouragement Grants (FEGs) are associated with clearance of native forest in favour of pine plantations in many parts of the country. Northland and the Bay of Plenty have suffered most. Together with incentive schemes operated by the Rural Bank, FEG's have supported the recent expansion of the indigenous woodchip export industry, and they underpin a proposed new woodchip mill in the West Coast beech forest. FEGs cover 45% of the establishment and tending costs of commercial forests, either exotic or indigenous.

FEGs do not pay for the actual forest clearance operation unless that earns no revenue (eg scrub or poorer grade cutover forest). Their main effect is to increase the incentive to put land into production whether that land be existing native forest or clear land. "Clear" land, of course, includes habitats such as lowland tall tussock grassland, indigenous scrubland, pakihi and other wetlands, and the coastal environment.

FEGs are not so much a subsidy as a special arrangement. They are designed to be equivalent to the tax deductibility available to farmers and other business enterprises for expenses incurred in generating income. In the expansion phase of forestry, expenses are not incurred in the same year as income but are separated by up to 30 years, making normal tax procedures difficult to apply fairly to forestry. Under FEGs forestry companies receive a grant at the establishment and tending stages, but are liable for tax on their gross income at time of harvest. In practice of course, many forestry companies pay little or no tax on harvest incomes because of the existence of so many other exemptions and incentive schemes.

The criticisms of FEGs made by conservationists are twofold:

- (1) In establishing a special arrangement for the forest industry, the Government failed to make it subject to its own Indigenous Forest Policy, whose stated aim is to perpetuate native forests both as natural forest and as managed stands. The Government had been urged by the Forestry Conference to find ways of applying this Policy to native forests on private land, but it ignored this when introducing the Forestry Encouragement Grant Scheme.

From the foregoing it should be apparent that (like banning nuclear ships from our ports) simply placing a ban on the use of FEG's for land covered in native forest would spike the immediate source of protest while doing little to solve the larger underlying problem. As long as special incentives exist "as of right" for those who put land into production, and disincentives exist to those owners who retain natural habitats, those habitats will more or less gradually continue to disappear. Conservation policies need to address the economic & land use policy environment as a whole rather than individual measures in isolation.

POLITICAL PARTY POLICIES

The previous Government refused to heed public concern about the FEG scheme. It argued that the protection of natural habitats should be approached not through modification of central Government interventions but through the planning process. This posture was hypocritical and unsatisfactory since:

- (1) The Government invariably opposed proposals for restrictions on "as of right" commercial forestry in district schemes, and in most cases (Marlborough was a significant exception) its view prevailed.
- (2) The Government repeatedly declined representations from conservationists to recognize "the preservation of indigenous forest, of other indigenous plant communities and of wetlands" as a matter of national importance in Section 3 of the Town and Country Planning Act.
- (3) The County Councils and United Councils responsible for District and Regional Schemes in remote, still-forested areas of New Zealand are generally comprised of elderly or retired farmers and small town businessmen whose attitudes toward natural habitats tend to be markedly different from the attitudes of the majority of New Zealanders today. Often such councillors have personally been involved in land clearance or have a high opinion of its importance and value. They equate physical production with economic benefit even when (as on the West Coast) all forestry activities are heavily subsidized.

The new Government's stated policy on privately owned native forests is as follows:

"Labour believes that, without infringing on private property rights, much more could be done to discourage the destruction of native forests on private lands. Labour will implement a package of policies to that end. This will include the recognition of the protection of native forests as a matter of national importance under the Town and Country Planning Act and provision for a zoning system of permanent private open space under the Act. Land so protected would remain in private tenure and would, with the agreement of the local authority, qualify for rates remission and fencing finance assistance."

That this policy lacks specifics is partly attributable to the conservation movement's own failure to produce more comprehensive and widely acceptable proposals in this complex area. This is a challenge we must now confront. In particular, any proposals must be acceptable to Maori authorities, who own a large proportion of

the relatively natural land that is suitable for commercial forestry, and who are strongly motivated to bring that land into production for the benefit of Maori people. Maori authorities have tended to oppose any planning restrictions on forestry, interpreting these as an abridgement of Maori land rights.

The option of looking to the state to compensate owners for land withdrawn from commercial production is limited by the potentially large sums of money required and the magnitude of the internal deficit, which is likely to be a major constraint for some years to come.

Conservationists should work towards legal, planning and financial incentive reforms, but we should also bear in mind the potential and even actual importance of:

- voluntary decisions by Maori authorities to preserve native forests and wetlands on their own land;
- responsible advice from enlightened forestry consultants;
- moral pressure on large forestry companies by conservationists and the Government.

The concept of integrating conservation and development is often promoted largely as a series of constraints on development. Conservationists could present the concept more positively by lending strong public support to development strategies which are environmentally sound. Agroforestry - the growing of widely spaced pruned trees on pastoral land, integrated with continued stock grazing - represents just such a development strategy for forestry in New Zealand. If it is adequately encouraged, we could see a major re-orientation of forest sector expansion, from large scale blanket afforestation of marginal land and native forest land, toward extensive planting by farmers on existing farmland. The environmental benefits would be substantial, while New Zealand's traditional pattern of rural land ownership, rural communities and rural services could also be maintained. Economic, social and environmental analyses of forest sector planning all point in the same direction: agroforestry.

PROPOSALS FOR CONSIDERATION

The following suggestions for policy initiatives are really tentative because they have not been widely canvassed with interested parties. They do not represent the policies of the conservation organisations with which I am associated.

- 1) Phase out all direct and indirect subsidies to land using industries. Economic studies suggest this would lead to intensified use of better land and a reprieve for remote and relatively unproductive land.
- 2) Government forestry policy should be reviewed with the aim of shifting the emphasis from blanket corporate afforestation toward farm based agroforestry.
- 3) The need for large forest processing industries to afforest nearby land for security of wood supplies should be met by progressively leasing existing nearby exotic State forests on a long term basis.

- 4) As State plantations are clearfelled, each compartment should be reviewed for conversion to agroforestry, leasing, or (where forestry is uneconomic) reversion to native forest.
- 5) The State's new planting effort should be diverted into agroforestry joint ventures with existing farmers or Maori authorities.
- 6) Forestry Encouragement Grant applications should be accompanied by a professional forester's certificate showing that the proposed development is in the national economic interest (this can be fairly rapidly assessed by feeding relevant data into a SIMMOD or similar model in widely distributed computer terminals) and showing that no native forest or other defined natural habitats have been or are being destroyed as part of the development.
- 7) The protection of natural habitats should be recognised as a matter of national importance under the Town and Country Planning Act, and should be promoted by the Crown through the planning process, including active zoning initiatives for permanent private open space.
- 8) Provisions should be restored to the Public Works Act for designating land for representative reserves, and reserves funding should be restored, at least to the 1972 level in real terms, so that the recommendations of the Protected Natural Areas programmes can be implemented by lease, purchase or other incentives.
- 9) Land tax on native forest should be revoked and procedures introduced for rating relief on natural habitats covenanted or zoned for permanent protection.

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