

The case for

Better Forestry Encouragement

NZIF President Andrew McEwen ponders why society nationalises forestry's "benefits" but only the "liabilities" of other land uses.

The theme for this conference ("The Value of Forests in 2010") follows on from two previous Institute conferences:

- In 2006, we held "Absolutely Positively Forests", at Te Papa in Wellington. The two days of papers were divided into sessions looking at the various benefits that forests provide (water, landscape, carbon storage, recreation, biofuels, timber, etc). We had papers on the science of the benefit, plus papers on aspects of management of forests in order to derive the benefit;
- The Palmerston North Conference in 2008 was called "Forestry and Agriculture - Collaborating for Sustainability". It looked at how the environmental services provided by forests can be integrated with agricultural production systems to ensure the economic and environmental sustainability of both. The focus was on sustainability of catchments.

Missing from those conferences was quantitative values for some of these benefits.

One of the problems is that many of the benefits do not accrue to the land and forest owner. Instead they add value to properties downstream of the forest or to society generally.

I have observed a disturbing trend in recent years for society, through their elected politicians at Central and local Government, to "nationalise" the benefits of forest through legislation and regulation, rather than recognising that value through some tangible benefit to the land or forest owner. We see this in the provisions that now apply to land use around Lake Taupo, and also in the ETS legislation, which have effectively prevented a change from forestry to some other land use. But for some other land uses, society has nationalised not the benefits, but the liabilities, for example by not insisting on the application of the polluter pays principle that is supposed to be one of the foundations of the Resource Management Act. Society is apparently happy to pick up the cost of rectifying the problems caused by some land use practices and we see this in the \$80 million allocated for cleaning up Lake Taupo - and I might add that those landowners around Lake Taupo who kept their land in forest and did not contribute to the problem, have been compelled to contribute to that \$80 million through their taxes and rates.



Many of you may be unaware of a 1967 Editorial by Bob Jackson in our own journal, the New Zealand Journal of Forestry called "forestry in the Lake Taupo Basin". And yes I did say 1967, which is 43 years ago. It was written at the time when government was about to announce some decisions on proposals put forward by the Taupo County Council called "Lake Taupo, an investment for the nation". Bob cited evidence from some of the Rotorua lakes and I quote:

"The significant fact here, ..., is that their drainage basins have all only recently been developed for farming. The consequent process of pollution has been so rapid that the eutrophic transition has occurred in little more than a decade.

"Herein lies the crux of the Lake Taupo problem too. Certainly it contains a much greater volume of water than any of the foregoing lakes, but the areas of land available for development within its drainage basin are also correspondingly greater. Even the risks of contamination attending much-accelerated urban development around the lake-shores are negligible by comparison, because sewage is concentrated and channelled, and the effluent can be utilized. No such means of control exist for farmed land. Much has been made on television and in the press of the occasional topdressing around the Lake shores, but these obvious and easily remedied acts of thoughtlessness are insignificant beside the steady accumulation of nutrients and salts added by livestock and topdressing to the normal load of solutes contained in drainage waters.

"If land-development there must be in the Taupo basin, in the name of progress, let it be towards forms of resource management that do not involve practices so detrimental to the primary objectives in preserving Lake Taupo. Among these forms of management forestry stands pre-eminent in retarding normal trends towards eutrophication. There need be no pollution whatsoever from this form of land-use. On this point alone, the local and national authorities must regard forestry very favourably for any further development. Moreover, as the Maraetai Study has recently shown, residents of the district would secure just as much economic benefit from forestry as from farming."

But while it might be satisfying to be able to say "we told you so", we really have to ask why, if this evidence

was available over 40 years ago and before large scale farm development (much of it funded by the Crown) actually took place in the Taupo Basin, has it taken so long to recognise the problem and to do something about it? And why is it that the land owners who kept their land in forest all this time, are the ones whose property rights have been the most affected by the regulations?

How do we value the benefits that forests provide? Consider the following examples of the benefits arising from forests that are not captured by the owner of the forest land.

- What would be the effect on the value of farmland in the Manawatu-Rangitikei if there were no forests on the unstable coastal sand dunes at Waitarere, Santoft, etc?
- How much more would be needed to clean up Lake Taupo if some owners had not retained their land in forest cover?
- What would be the cost of providing clean water to Wellington and the Hutt Valley or the cost of flood protection for Upper and Lower Hutt Cities if all the forest in the Hutt catchment was removed?
- Would Wanganui City still exist if there was no forest cover in the Wanganui catchment?
- What would be the value impact on the vineyards of the Waipaoa flood plain if there were no forests in the Waipaoa catchment?
- Would there have been less financial impact from the Manawatu floods of a few years ago if the highly erosion prone land had always remained in forest?
- At our 2008 conference we heard that the main factor that attracts overseas tourists to New Zealand is its landscapes. What difference would there be in the earnings from tourism if there were no forests in those landscapes and what would be the effect on earnings from the film industry?

Unfortunately, rather than these sorts of examples of the value of forests, it is easier for society to focus on some more immediately visible aspects of forestry - significant landscape changes when a mature crop is harvested, logging trucks on roads, increased sediment for short periods associated with harvesting operations, damage from logging waste or windfallen trees during exceptional storm events, conversion of forest to farmland (which is usually seen as the fault of the forest owner rather than the new land owner), logs being exported in unprocessed form and issues around large processing plants.

The reaction from society is often to call for more restrictions on forestry operations and to ignore the wider benefits that those forests have been providing for the previous thirty or more years. Unfortunately local government is all too often prepared to act on those calls, rather than to defend forestry. One consequence of this has been for some forest owners to convert their land from forestry to less environmentally benign land uses

(effectively to the highest possible polluting state) before local councils can place more restrictions on forestry. I believe that we can see the evidence of this in the Waikato catchment as land owners sought to keep ahead of Lake Taupo land use regulations flowing further down the Waikato River and converted forest land to farm land.

How to we reverse this problem? One way is to marshal the facts and to quantify the benefits that flow from forests to other land users and to society generally. And we need to insist that local and central government seek the same sort of information from those sectors that compete with forestry for land so they can make well informed decisions. I hope that quantification of forest benefits is something that the presenters at this conference will help us to achieve. Once we have the numbers we will be better placed in our submissions and representations to justify the unquantified statements that is currently the best information we have. And we will be better placed to demand that other land uses also justify their right to carry out their operations.

As you listen to the presentations (and I congratulate David Herries and his team for the excellent range of speakers and topics that he has assembled), I would like you to consider what they are telling you about the value of the benefits they are describing. If you were on the Council of the Institute of Forestry, what information are you receiving that would really help in building a case for policies that assisted and encouraged forestry and that provided greater equity of treatment between different land uses. If that information is not available, then question the speakers and others as to how that information can be obtained.

Having issued you that challenge, I thank you for coming to the conference. Please listen carefully to the speakers, question them hard, network with fellow members and non-members and above all enjoy yourselves.

Andrew McEwen