

In Confidence

Office of the Minister for the Environment

Office of the Minister of Forestry

Chair, Extreme Weather Recovery Committee

## **Government response to the Ministerial Inquiry into Land Use in Tairāwhiti/Gisborne and Wairoa**

### **Proposal**

1. This paper responds to the findings and recommendations of the Ministerial Inquiry into Land Use in Tairāwhiti/Gisborne and Wairoa.

### **Relation to Government priorities**

2. The Ministerial Inquiry into Land Use in Tairāwhiti/Gisborne and Wairoa (the Inquiry) has implications for the Government's ongoing North Island weather events recovery, as well as the Government's climate change and resource management priorities, particularly adaptation and spatial planning.

### **Executive Summary**

3. Cyclones Hale and Gabrielle triggered widespread flooding, erosion, and woody debris movement (including forestry slash) across the Tairāwhiti/Gisborne and Wairoa regions. This caused significant destruction.
4. We acted quickly to initiate the Inquiry in February 2023, which reported back in May with 49 recommendations. The report is clear that the status quo will not suffice. It clearly outlines that the way land is managed in Tairāwhiti/Gisborne and Wairoa needs to change. It recommends cross-systems change – which we agree with in-principle, although we do not support all recommendations.
5. Our proposed approach is to respond in two phases focussed on reducing risk and strengthening resilience, with the first phase informing and critical to the second.
6. Phase One (reducing risk) has four key actions:
  - 6.1 effective, sufficient clean-up of woody debris to manage the risks it presents;
  - 6.2 strengthening resource management functions and decision-making;
  - 6.3 strengthening partnerships for future resilience; and
  - 6.4 reducing risks of new woody debris flows and sedimentation.
7. The forestry industry also accepts the need for change and are committed to a better future for production forestry and the region's communities. Through the Eastland Wood Council, they have made specific commitments regarding woody debris clean up, reducing risk of further debris flows, site specific risk assessments to inform which areas need to be retired from forestry, and adoption of good practice guidelines for catchment management.

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8. In the medium-term, the forestry industry is also committed to working with local and central government to shape the future of profitable and sustainable forestry in the region, and transitioning land use no longer suited to production forestry.
9. Phase Two to strengthen resilience will be locally led, regionally supported, and centrally enabled. It will be developed collaboratively with Tairāwhiti/Gisborne and Wairoa over coming months, leveraging our existing major work programmes. This will ensure our longer-term action most effectively meets these regions' changing needs and priorities, is fit for purpose over the longer term, and complements locally and industry led action.
10. To maintain momentum, we will put in place governance to monitor and drive progress across the All-of-Government response. We will report back to Cabinet in December 2023 with an update on progress, including an update on the Phase Two work programme and an early view of any arising financial implications.
11. We propose that our response to the report is made public as soon as possible to enable further engagement and get actions underway.

### **Background**

#### **Context**

12. The Tairāwhiti/Gisborne region has erosion on a scale and severity greater than any other part of New Zealand. 25 percent of the North Island's most severely eroding land is in the region. Similarly, over 50 percent of land in the Wairoa district in northern Hawke's Bay is classified as having high or very high erosion susceptibility.
13. The economies of Tairāwhiti/Gisborne and Wairoa are significantly driven by agriculture, forestry, and horticulture. Between 1992 and 1995, largely in response to the impacts of Cyclone Bola, over 100,000 hectares of exotic forestry were planted in Tairāwhiti/Gisborne and Wairoa mostly using Government subsidies and grants. In recent years, these forests planted to help stabilise soil and provide jobs for the community have begun to be harvested.
14. Tairāwhiti/Gisborne and Wairoa slopes are highly susceptible to failure during severe weather events. Cyclones Hale and Gabrielle mobilised very large volumes of woody debris and soil causing significant damage to property, infrastructure, and the environment, and damming and redirecting flood waters. There remains a significant amount of woody debris and sediment within the system.
15. These extreme weather events also had a significant and cumulative effect on the wellbeing of Tairāwhiti/Gisborne and Wairoa's people.

#### ***The Inquiry has clearly made the case for change***

16. In response to the damage, Mana Taiao Tairāwhiti gathered over 10,000 signatories on a petition asking local and central government to undertake an inquiry. In February 2023, we established the Ministerial Inquiry (the Inquiry).
17. The Inquiry was tasked with describing the history of land uses associated with the mobilisation of woody debris (including forestry slash) and sediment in the Tairāwhiti/Gisborne District and Wairoa District, and with making recommendations about the further work needed to address impacts of land use and storms.

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18. Specifically, the Inquiry was mandated to make recommendations to improve land use outcomes, including preliminary advice on:
  - 18.1 changes needed to land use management including, but not limited to, afforestation and harvesting practices; and
  - 18.2 changes needed to regulatory settings including, but not limited to, plan rules and national direction under the Resource Management Act 1991 (RMA) (or its replacement).
19. The Inquiry report, publicly released on 12 May 2023, makes a case for change. It found that lives and livelihoods were put at risk, that current land uses are unsustainable, that resilience levels are lacking, that local authorities lack capability and resources to sufficiently fulfil their functions, and that the forestry industry has lost its social licence.
20. The Inquiry interpreted its scope broadly and made 49 recommendations designed to provide a system wide response. These primarily related to woody debris clean up, forestry, future land use, strengthening biodiversity, whenua Māori, economic incentives and constraints, people and transition, leadership and governance, and regional recovery efforts more broadly.
21. Overall, we support the intent of the Inquiry report, but we do not accept all of its recommendations in full. We note that feedback on the Inquiry report has been mixed. While there is general support for its intent, concerns have been expressed about some of the specific commentary and recommendations. Gisborne District Council (GDC) in particular has objected to components of the report, while also acknowledging the need for change.
22. This paper sets out our response to the Inquiry, and to the needs of those people and organisations that contributed.<sup>1</sup>

### Our response

23. The Inquiry report is clear that the fundamental outcome sought is a shift to sustainable and resilient land uses in Tairāwhiti/Gisborne and Wairoa. The Government response to the Inquiry therefore aims to achieve the following outcomes:
  - 23.1 effective clean up in the short term to accelerate recovery, facilitated by collaborative action across local government, iwi, hapū, landowners, industry, and communities;
  - 23.2 sustainable land use that meets the current and future needs of the environment, communities and iwi, hapū, and landowners; and

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<sup>1</sup> On 6 June 2023, Cabinet identified responsible Ministers for responding to the Inquiry's recommendations, spanning 20 portfolios, and invited responsible and lead Ministers to:

- consider the relevant recommendations through their existing work programmes; and
- report back to Cabinet by the end of July 2023 on progress in responding to relevant Inquiry recommendations, and whether they are considering further work to do so [CAB-23-MIN-0206.02 refers].

On 22 June 2023, we convened a hui with Ministers involved in the response. We agreed that this report back should include:

- whether or not the Government agrees with each recommendation;
- over what timeframe the recommendations or other actions will be progressed; and
- whether an existing or new work programme will be used.

It was also agreed that agencies would engage with iwi/Māori and key stakeholders on the Inquiry's recommendations prior to this report back.

- 23.3 thriving, adaptive, and resilient infrastructure, economies, environments, and communities.
24. These outcomes are intentionally high-level to provide both sufficient direction and flexibility in how they are achieved. We will work with our local partners to achieve them, in a way that is locally led and centrally enabled and that reflects the unique biophysical nature of the regions and the needs of the affected communities.
25. The risks or impacts of future severe weather in Tairāwhiti/Gisborne and Wairoa cannot be fully mitigated, given historic land use, highly erodible landscapes and geology and the changing climate. The focus of the Government response to the Inquiry is therefore on:
- 25.1 **Phase One: reducing risk** as much as possible in the affected districts, particularly in the near term; and
- 25.2 **Phase Two: strengthening resilience** to future severe weather events and supporting the transition to more sustainable, lower risk, land uses and practices at a district and national scale.
26. Our approach reflects what we have heard from local government, iwi, and the community, which emphasised that the response should be integrated and focused on recovery and resilience and optimism for the future. The actions Government intends to take are complementary to the primary role of local government to promote the social, economic, environmental, and cultural wellbeing of their communities.
27. The pathway laid out in this paper is also designed to build on and enhance the work of local government, hapū, iwi, and Māori, landowners, industry, and communities – including the Regional Recovery Plan process.
28. We have considered and responded to each of the Inquiry's recommendations (**Appendix One** refers).<sup>2</sup> In some instances, we have agreed with the issues identified by the Inquiry and/or the Inquiry's intent but have identified alternative means to pursue it. In a few cases we have elected to not pursue a recommendation, with rationale provided, for example because:
- 28.1 it has already been formally declined by Government (for example, the fast-track consent of Te Araroa Kahui Kupenga Marine Facility proposal was recently declined);
- 28.2 it would set an unsustainable precedent (for example, shift funding responsibility from local to central government for flood protection and control); and
- 28.3 it may give rise to wider, undesirable implications (for example, the recommendation to review the Overseas Investment Act 2005).

### **Phase One: Reducing risk now**

29. Our Phase One actions to 'reduce risk' are those we consider need to be initiated now to address current risks and set the stage to support the ongoing recovery and future transition of regions. They also signal our intent to support Tairāwhiti/Gisborne and

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<sup>2</sup> Analysis has considered whether the proposed action, or its intent, would be responsive to needs, is financially viable and within the capacity of government and partners to deliver, will have the desired impacts on the ground, and meet our legal and Treaty obligations.

Wairoa in the long term, and that we are serious about giving effect to the changes envisioned by the Inquiry.

30. Four key actions constitute our Phase One response, which are outlined in detail below.

**Action 1. Effective, sufficient clean-up of woody debris to manage the risks it presents**

31. The movement of woody debris during the Cyclone caused significant damage to infrastructure, property and beaches, and significant quantities remain in the system. Communities remain very concerned about the risks that woody debris continues to pose to their lives and property.
32. In May 2023, the Government announced the \$10.15 million Woody Debris Fund to enable the clean-up of woody debris. We expect this will enable the removal of up to 70,000 tonnes of woody debris over six months.
33. This funding is focused on addressing critical risks to infrastructure and communities. However, we know that significantly more funding is required for clean-up activities<sup>3</sup>. While we recognise there may be calls for some additional Crown funding, we expect others also have a role in meeting these costs – they are not for the Crown alone to address in full.
34. Estimates of what is required in terms of scale, resourcing and priorities, vary significantly. As a next step, we will support on-the-ground action in Tairāwhiti and Wairoa to develop a shared view across local government, industry, iwi/hapu, landowners, communities, and central government of:
  - 34.1 remaining clean-up costs, including appropriate disposal options;
  - 34.2 priority areas or actions for clean up, and implementation requirements;
  - 34.3 an appropriate cost-sharing model that balances meeting regional needs with managing potential legal, precedent, and fiscal risks to the Crown.
35. We expect this work to be led by one of the Ministerial appointees (the Facilitator) referenced in paragraphs 43 to 47, with support from the Ministry for the Environment and Ministry for Primary Industries. We expect this to progress with urgency, and expect that by November 2023 to receive advice that is underpinned by a robust assessment of different approaches to removing debris, and which identifies funding sources, cost sharing approaches, and options for scales of support.
36. Once costs and priorities are understood, we will be better placed to consider how any additional and justifiable costs to the Crown could be met. This would be considered through the Regional Recovery Plan ‘triage’ process, which has been explicitly designed to manage such requests.

**Action 2. Strengthening resource management functions and decision-making**

37. The scale of damage in Tairāwhiti/Gisborne, combined with the work councils need to do for response and recovery and the comparatively small rating base, means that the council and staff resources have been put under severe strain. Central government has an obvious role in supporting the Councils during this pressured time – particularly

given how critical having effective and well enforced resource management plans is to achieving more sustainable outcomes.

38. The Inquiry made recommendations related to GDC's Resource Management Act (RMA) roles. This included the need for: a review of the regional plan (R18), review of GDC's compliance, monitoring and enforcement approaches (R26), and appointment of Commissioners to exercise GDC's RMA functions, powers and duties (R42).
39. Council-led reviews of resource management plans, already initiated by GDC, and Hawkes Bay Regional Council, will be a key step in the long-term transition of land uses in Tairāwhiti/Gisborne and Hawke's Bay. While we recognise the strain on resourcing that the recovery has placed on councils' ability to progress plan reviews, there is also a need to urgently reduce risk and put in place a planning framework that manages effects appropriately. We expect further discussion with GDC over the next few months on options for expediting aspects of their plan review.
40. The Minister for the Environment intends to make a statutory appointment under section 24A of the RMA (the RMA Advisor) to advise on opportunities for targeted to strengthening of the regulatory framework, rather than appointing commissioners and removing all RMA functions and powers from GDC as recommended by the Inquiry. This approach balances supporting GDC while also taking action to ensure local RMA functions are responding to the need to better manage the risks from erosion, sedimentation and woody debris and move land use in the region to more sustainable practices.
41. The RMA Advisor will be proactive and work with GDC to identify challenges, options, and next steps (including for central government support) for GDC in carrying out its resource management functions. They will build evidence, assess a range of matters, and make recommendations to the Minister for the Environment, including on:
  - 41.1 the capacity and resources of GDC, and support needed, to progress and implement the Tairāwhiti Resource Management Plan review;<sup>4</sup>
  - 41.2 GDC's approach to compliance monitoring and enforcement functions, and resources needed, and whether this could be improved;
  - 41.3 GDC's approach to consenting and reviewing forestry activities with a focus on the risks of clear-felling and risk mitigations; and
  - 41.4 recommended options for further work to ensure a fit for purpose planning regime is in place.
42. The appointment would be for an initial nine-month period which should cover key decision points about the plan review and review of compliance, monitoring, and enforcement practices. It is likely that they will be in place by mid to late August.

### ***Action 3. Strengthening partnerships for future resilience***

43. A clear theme in the Inquiry's report is that of the importance of strong working relationships, collaboration, and partnerships – both to ensure near term action is effective and coordinated, and to facilitate long term recovery. The Inquiry found many instances where these could be improved.

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<sup>4</sup> This may also include when it would be appropriate to start the roll out of the freshwater farm planning process in the Tairāwhiti region. The roll out is currently deferred while council responds to more immediate issues.



44. We therefore propose to appoint a Ministerial Advisor (the Facilitator) to facilitate non-statutory interventions that support the Government's response in Tairāwhiti. This person will advise Ministers on how best to promote ways of working and partnerships that will support the recovery and improved resilience over the longer term. Further, they will actively facilitate the strengthening of relationships and collaboration within and across regions and across industry sectors (including forestry, agriculture and horticulture) to support achievement of common goals and outcomes.
45. We expect that the Facilitator, through facilitating collaboration and effective engagement, will:
  - 45.1 be critical to identifying and progressing next steps on management of woody debris, as outlined above in paragraphs 33 to 35; and
  - 45.2 play a key role in developing the Phase Two programme.
46. They will also ensure regions, and communities therein, are well linked into other existing work programmes so that these are leveraged where possible. The Facilitator will also be uniquely placed to work with relevant regional agencies to provide advice on whether regions need additional wraparound support, for example in the form of specialist advisory groups.
47. The appointment would be for an initial nine-month period. It is likely that they will be in place by mid to late August.

**Action 4. Reducing risks of new woody debris flows and sedimentation**

48. The Inquiry recommended an immediate limit on clear-fell harvest on red and orange zone land in Tairāwhiti/Gisborne and Wairoa, and instead to use coupe harvesting.<sup>5</sup> It also recommended that existing resource consents be reviewed to align with these limits.
49. We understand that the key concern these recommendations aim to address is the risk of further soil erosion, land failure resulting in sediment discharge, and woody debris flows. We are highly supportive of taking action to address these risks to a more tolerable level (though we note that harvesting is currently reduced by about half), and of the Inquiry's recommendation that changes be progressed at the local government level.
50. Accordingly, we expect discussions with GDC over the next few months on options to expedite a review of existing resource consents related to clear felling and making local plan changes, for example through using a Streamlined Planning Process under the RMA. This action is a priority – it supports GDC, ensures stakeholder input, and demonstrates the importance of better managing harvesting risks.<sup>6</sup>
51. GDC has begun updating its regional plan in response to the Inquiry's findings, which we are highly supportive of. A new overlay to identify zones with a higher soil erosion risk than the current red zone – 'a purple zone' as described by the Inquiry – is being considered. Using a process like the Streamlined Planning Process will enable GDC to move faster to get this zone in place.

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<sup>5</sup> A small area of harvested forest (such as a sub-stand, or sub-compartment in a forestry setting).

<sup>6</sup> The Inquiry recommended that limits and review be undertaken using the Severe Weather Emergency Recovery Legislation Act (2023), however, legal advice is that this is not possible.

52. In support of this action, we will also:
- 52.1 leverage the Ministry for Primary Industry's existing forestry programmes to support GDC capability such as through provision of training, resources, and information.<sup>7</sup> We have heard from our engagement that this capability boost is critical;
  - 52.2 support the work of the Ministerial appointees, and the council's resource management work, with appropriate technical expertise, noting the significant expectations for this work and the key role the regional plan will have in delivering the Inquiry's recommendations;
  - 52.3 provide national forestry slash risk assessment and management guidance, including advice on risk reducing options at afforestation and replanting (being developed with input from a Technical Advisory Group made up of council, soil science and industry experts);
  - 52.4 complete the agreed changes to the National Environmental Standards for Plantation Forestry (NES-PF)<sup>8</sup>, followed by a further review of national-level direction and guidance for forestry, including the NES-PF, to consider if new national-level changes are needed;
  - 52.5 leverage the regional sector network 'Te Uru Kahika' to ensure local government expertise and experience across the country can be accessed; and
  - 52.6 support voluntary action by industry, including rapidly improving the evidence base on current critical erosion and debris risks and how these are best managed, including through practice change.
53. These actions balance the desire for near-term action to reduce risk and provide confidence to local communities that action is being taken, with ensuring further actions are underpinned by robust evidence (including stakeholder input). This package also enables further engagement with hapū, iwi, and landowners and for the socioeconomic impacts to be considered as part of a successful transition.

### ***Industry led action***

54. The forestry industry has also recognised that they need to play their part, and take action now to rebuild their social licence. The Eastland Wood Council (EWC) members, who represent more than 80 percent of forestry companies in Tairāwhiti and Wairoa, have accepted the need for change and are committed to a better future for production forestry and the region's communities. They are specifically committed to the following actions in the short term:

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<sup>7</sup> The new requirement for log traders and forestry advisers, including within councils, to be registered by 6 August 2023 is also relevant to supporting capability and achieving improved outcomes.

<sup>8</sup> Recent amendments to the NES-PF will:

- Expand the types of forests controlled by the NES-PF to include exotic continuous-cover forests ('carbon forests'), to manage their environmental (biophysical) effects as if they are plantation forests;
- Enable councils to develop local rules and policies to manage the location of exotic continuous-cover and plantation forests; and
- Make operational changes to enable foresters and councils to better manage the environmental effects of forestry including slash (setting a standard for managing slash on the cutover to address risks of it causing slope failure and slash mobilisation) and wilding pines (for example, the wilding tree risk calculator and accompanying guidance will be updated)



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- 54.1 continuing clean-up of woody debris and agreeing an approach with Council to develop an equitable assessment process for cost sharing of current and future clean up;
  - 54.2 working in partnership with central and local government on site specific risk assessments and operational plans for high-risk areas to inform which areas need to be retired from forestry and how this should be done;
  - 54.3 adopting the EWC Good Practice Guideline for Catchment Management (and subsequent improvements), including:
    - 54.3.1 evaluating slope stability when planning;
    - 54.3.2 managing the extent of harvesting clearcuts, limiting size and staging harvest;
    - 54.3.3 managing harvest residues on landslide prone slopes;
    - 54.3.4 leaving mature trees to help trap slash in appropriate locations;
    - 54.3.5 constructing slash traps; and
    - 54.3.6 risk assessment at time of planting and replanting;
  - 54.4 undertaking urgent actions to reduce current risks, in line with consenting requirements, including implementing high level debris traps in strategic locations, burning of large piles of woody biomass where removal is not possible, and burying woody biomass where it cannot be removed or burnt.
55. Over the medium term, EWC is also committed to working with local and central government to shape the future of sustainable forestry in the region, including supporting the potential for in-region processing, creating an enabling business environment, and transitioning land use that is considered no longer suited to production forestry.

### **Phase 2: Actions to 'strengthen resilience' over the medium to longer term**

56. During Phase One we will work with Tairāwhiti/Gisborne and Wairoa to understand how we can best support them to 'strengthen resilience' over the longer term. This will enable development of the Phase Two programme, based on the direction set out in the Inquiry's report.
57. Phase Two will leverage our existing national work programmes where possible, although new initiatives will also be considered as appropriate (for example, should this be necessary for management of woody debris). Ministerial appointees will play a key role in facilitating this work, from a relationship, evidence building, and prioritisation perspective.
58. We agree that some current land uses in Tairāwhiti/Gisborne and Wairoa are not sustainable and need to change. However, we are mindful of the need to take a phased approach to this work to ensure we don't 'lock in' short-term fixes that will not stand the test of time or best meet the needs of regions, particularly as we transition into new resource management regimes. This is why it is important that Phase Two is locally and regionally led.
59. The following sections provide a brief overview of some of the existing work programmes that we expect will be leveraged in the Phase Two response, largely focused on supporting the transition to more sustainable land uses. Phase Two also picks up broader system recommendations from the Inquiry which we will largely

deliver through existing work programmes at either a national or regional level (see also **Appendix One**).

***The new resource management system***

60. The Inquiry made a number of recommendations related to the need for fit for purpose resource management approaches. Regional spatial strategies under the new resource management system will take a long-term approach to address the big issues and opportunities facing a region. In doing so, they will support communities to plan and carry out the actions needed in an integrated and coordinated way.
61. This could include identifying areas where there is expected to be change in the type of land use, or areas that are suitable for land use change that would reduce risks or increase resilience to natural hazards and the effects of climate change.
62. GDC, Hawke's Bay councils, and iwi of these regions have signalled their interest in exploring what it means to be an early adopter of the new resource management system under the Natural and Built Environment and Spatial Planning Bills.<sup>9</sup> Many of the tools that may be of assistance to the regions in managing the issues identified by the Inquiry would be available in the proposed Bills.
63. The Ministry for the Environment will continue discussions with councils and iwi to develop an approach that could support the immediate recovery, as well as lay the groundwork for the Tairāwhiti/Gisborne and Hawke's Bay regions to transition into the new system.

***Native afforestation***

64. The Inquiry made recommendations related to how native afforestation can contribute to increased climate resilience and sustainability (such as R15 and R35). Local communities are interested in how native tree planting can support recovery and long-term resilience in Tairāwhiti/Gisborne, Hawke's Bay and Northland.
65. The Native Afforestation Programme was initiated as part of the Emissions Reduction Plan in 2022 and funding allocated through the Climate Emergency Response Fund in Budget 2022. It aims to increase native afforestation to create permanent carbon sinks and develop a long-term national strategy and action plan in partnership with rural landowners, iwi/Māori, foresters, communities and the private sector.
66. The Minister of Forestry has asked officials to develop, by the end of September 2023, nearer-term options that could support recovery and adaptation work in cyclone-affected regions. Any options implemented in Tairāwhiti/Gisborne and Wairoa could help respond to the Inquiry's recommendations regarding native afforestation.

***Review of the emissions trading scheme and permanent forest category***

67. Key work related to meeting New Zealand's climate change objectives includes the recently announced review of the New Zealand Emissions Trading Scheme (NZ ETS) and redesign of the permanent forest category, which are of relevance to the Inquiry's recommendations (R36). The NZ ETS review is considering whether, and if so how, to change the NZ ETS to prioritise gross emissions reductions while maintaining support for removals.

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<sup>9</sup> However, the severe weather events have required council staff and iwi to focus on more immediate issues for the time being.

68. Proposals to redesign the NZ ETS permanent forest category seek to better support the Government's forestry and climate change objectives, as well as Māori aspirations for their land. These workstreams are considering the incentives both for forestry in general and exotic forests in particular.
69. The redesign of the NZ ETS permanent forest category provides a potential opportunity to better support the establishment of long-term indigenous carbon sinks through incentivising the transition from permanent exotic forests to indigenous forests over time. This relates to R27 where exotic plantation forests are currently in the proposed purple zones and how these forests could be transitioned to appropriate permanent vegetation.

#### ***Biodiversity credits***

70. Supporting resilient eco-systems and biodiversity is a critical part of recovery efforts and the medium to longer-term response, both as an end in itself and to ensure natural capital has resilience to future impacts.
71. The Minister of Conservation and Associate Minister for the Environment (Biodiversity) have opened a four-month consultation on the potential for a biodiversity credit system in New Zealand. Biodiversity credits have been identified as having potential to enable landowners to receive extra funding for work that they are doing on the ground, including on whenua Māori. The consultation will look at how a credit system could help to mobilise additional financing, complementing other tools such as carbon credits, to better support and incentivise sustainable land use (R35).

#### ***Forestry and Wood Processing Industry Transformation Plan***

72. Increasing investment in value-adding activities such as wood processing and bioenergy is a major focus of the Forestry and Wood Processing Industry Transformation Plan, and this could bring significant socio-economic benefit to the region. This was also recognised by the Inquiry. Tairāwhiti has significant annual forestry harvest volumes (3.4 million cubic metres in 2022) and only 7 percent of that is processed locally, meaning this is a key area of opportunity.

#### ***Regional and Iwi Recovery Plans***

73. Projects supported as part of the Regional and Iwi Recovery Plan process are likely to be of significant relevance to strengthening resilience. We understand that these plans include the repair of bridges, roads and retaining walls, removal of debris in river catchments, and support for access to business advisors and mentors to support recovery and resilience.
74. We understand that Iwi Recovery Plans also contain proposals that would be of significant benefit to whenua Māori recovery and future resilience more broadly.
75. These are currently being considered as part of the broader Cyclone Recovery Unit led process. These funding decisions need to support a comprehensive and coherent package alongside the responses to the Inquiry.

#### ***Supporting whenua Māori***

76. It will be important that the implementation of the two phases keeps Māori aspirations, rangatiratanga and kaitiakitanga front of mind. Early and sustained engagement with

iwi, hapu and landowners will be critical, requiring a robust and co-ordinated process by the Crown, that is responsive to local needs, and appropriately resourced.

77. The Inquiry highlighted that addressing issues for whenua Māori is critical to equitably achieving a transition to more sustainable land use. Whenua Māori<sup>10</sup> amounts to 234,871 hectares (20 percent) of land in Tairāwhiti, and Wairoa. It is disproportionately remote, less versatile land that makes it well suited to forestry. Our response intends to provide for kāwanatanga – good governance – while enabling Māori to exercise rangatiratanga over their whenua, which is a taonga tuku iho, in accordance with Article Two of the Treaty of Waitangi.
78. The Inquiry made specific recommendations (R31 to 33) that relate to using the East Coast Exchange (an existing co-investment platform) to enable proof-of-concept whenua Māori projects with biodiversity and sustainability outcomes to be funded and progressed. We understand that the Tairāwhiti region has a range of investment-ready whenua Māori projects. We understand that further work is underway by Te Puni Kōkiri (TPK) and MBIE to support consideration of the most appropriate co-investment model, including consideration of the East Coast Exchange as a mechanism to support whenua Māori projects, and how best we can partner and give effect to tino rangatiratanga.
79. This initial phase of work is likely to take 6 to 12 months. As a first step, MBIE and TPK are actively working with East Coast Exchange to develop potential models of co-investment with Māori landowners to support biodiversity and resilience projects.
80. The Inquiry recognised the important role the Māori Land Court plays in realising the potential of whenua Māori, but raised concerns about its ability to do so due to resourcing constraints and delays in processing governance applications. In response, the Acting Chief Māori Land Court Judge has agreed to begin prioritising governance applications in the Court's Tairāwhiti and Takitimu districts as soon as practicable. This should enable those landowners to pursue meaningful development and use of their whenua sooner, and to consider potential investment opportunities such as those envisaged by R31 to 33.<sup>11</sup>

### ***Just Transitions***

81. We note that the MBIE Just Transitions Partnerships team has been working with the Tairāwhiti community for over a year to understand the transition needs of the region to move to a low carbon future. MBIE is also progressing development of the national Equitable Transition Strategy. We expect Phase Two may leverage these processes.

### **Engagement risks and mitigations**

82. The urgency of the issues confronting Tairāwhiti/Gisborne and Wairoa means we have had to move quickly to respond to the Inquiry's recommendations. In developing this response we have sought, where possible, to engage with and take on board the feedback of councils, iwi, communities, and relevant sector and industry organisations in Tairāwhiti/Gisborne and Wairoa. Our Phase One actions seek to reflect the priorities

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<sup>10</sup> Or Māori land, defined under Te Ture Whenua Māori Act to include Māori freehold and customary land.

<sup>11</sup> Regarding resourcing, the Government gave funding for an additional 19 Māori Land Court registry staff in Budget 19 to support the implementation of the Whenua Māori Programme. Some of this increase has been off-set by significant change initiatives over the past four years. Now that the Court is returning to relative normality, the Ministry of Justice expects to realise the full benefit of the additional staffing and for timeliness to improve – and will continue to monitor this.

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these groups have shared with us, including the need to build evidence and better understand the problems.

83. Significantly more engagement will underpin our Phase Two approach, which we intend to be more locally and regionally led to best meet needs at place. The Minister of Forestry has committed to being the key Ministerial contact for iwi on the Inquiry response.

### Next steps

84. We are committed to supporting Tairāwhiti/Gisborne and Wairoa to transition to more sustainable land-use practices that meet our collective social, economic, environmental, and cultural aspirations. The impacts of the recent weather events, in particular those felt in Tairāwhiti/Gisborne and Wairoa, make even more obvious the need to take action and build resilience.
85. Leveraging the roles and supporting the capability and capacity where needed of Tairāwhiti/Gisborne and Wairoa local government, iwi, hapū and landowners, and other key stakeholders is critical to our collective success – which is why it is a foundational part of our Phase One actions. We want to support regions to drive necessary changes and longer-term transition to meet their aspirations.
86. At its core, our response is one that requires an integrated approach, that balances regional recovery needs and priorities with our wider national and systems-level context. The status quo will not suffice, particularly when we consider how climate change is exacerbating natural hazard risks and the significant work underway to reform our approach to resource and emergency management.
87. We will soon receive advice on appropriate governance arrangements for our response, including whether existing permanent senior level structures could be leveraged. We expect the governance we put in place will uphold our expectations that implementation of Phase One actions occurs at pace, that Phase Two is commensurate to need and opportunity, and that collectively our response drives tangible results reflective of local and national priorities.
88. To further support accountability and maintain momentum, we will receive a brief report back from officials before the end of August 2023. We will then report back to Cabinet by December 2023 with an update on progress, an emerging view of Phase Two priorities, and an early view of any financial implications arising from further developed actions. We will also confirm ongoing governance arrangements.
89. Coordination of the all-of-government response will remain with the Ministry for Primary Industries and Ministry for the Environment for the time being, given the centrality of the Phase One actions to the forestry and environment portfolios. Agencies and the Cyclone Recovery Unit will work together to ensure there are appropriate linkages between the Inquiry response and the Government recovery response overall, and that respective liaison and engagement with the community and local authorities is integrated where possible. This coordination of activity will facilitate meeting the outcomes the government is seeking from the cyclone recovery and Inquiry, mitigate risks of duplication, and will best support stakeholders.
90. As part of our December report back we will confirm ongoing operational arrangements also, including whether any shifts in Inquiry-related support functions are required



## Communications

91. We intend to make a joint announcement on our phased approach to responding to the Inquiry subject to Cabinet agreement, as soon as possible following critical further engagement. The announcement will be positioned as the Government's formal response to the Ministerial Inquiry into land use in Tairāwhiti/Gisborne and Wairoa.
92. We intend to publicly release **Appendix One** as part of our response. We will be clear in our communications that all in-principle responses are subject to further analysis and Cabinet agreement before final policy decisions are taken.

## Financial Implications

93. No funding is sought via this paper. Accountable Ministers retain responsibility for obtaining funding for initiatives where required, and for making trade-off, phasing, and reprioritisation decisions as necessary to deliver this work.
94. It will be a joint effort to address and resolve the issues identified by the Inquiry. We expect that opportunities to share costs with relevant parties will be leveraged where practical, including to incentivise practice change and reduce moral hazard risks.
95. **Appendix One** outlines a number of areas where further analysis is required, or where we agree in principle with recommendations but alternative mechanisms for action are being explored. We expect this further work to be progressed from agency baselines or existing funding sources, with a view to managing future fiscal impacts from within these sources where practical. Any financial implications beyond this will be considered by Cabinet, with an early view to be provided as part of the December 2023 report back.

## Legislative Implications

96. This paper does not have any immediate legislative or regulatory implications.

## Cost-of-Living Implications

97. The change required could be disruptive to some, for example forestry which employs significant numbers of people in Tairāwhiti/Gisborne and Wairoa (one in four families are estimated to be connected to the forestry supply chain, and for every job in the harvest supply chain there are three indirect jobs in the region).<sup>12</sup> Ensuring individuals stay connected to the workforce as necessary changes progress will be key to minimising cost of living pressures these groups may otherwise face.

## Use of External Resources

98. A limited amount of contractor resource has contributed to the development of this response, generally to respond quickly to address capacity gaps. We are aware that:
  - 98.1 the Department of Internal Affairs engaged a contractor for a period of six months to support the Local Government Branch's work on the North island Extreme Weather Events Recovery programme. As part of this work, the contractor has picked up the lead responsibility for the Inquiry response, alongside their substantive work on the sediment and debris package;

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<sup>12</sup> Institute for Business Research, University of Waikato 'Economic Impact Assessment of the Forest Industry in the Gisborne-Tairāwhiti Region.



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- 98.2 the Ministry for the Environment engaged a part-time contractor (approx. 0.4 FTE) for a period of two months. Their role has focused on supporting engagement with external stakeholders and coordinating policy input across agencies; and
- 98.3 the Department of Conservation has used contractor resource of less than two hours to support this work.

### Impact Analysis

#### *Regulatory Impact Statement*

99. This paper does not require a Regulatory Impact Statement as it does not specifically propose the introduction of new legislation or changes to or the repeal of existing legislation. Relevant accountable Ministers will adhere to these requirements as needed.

#### *Treaty of Waitangi impacts*

100. The perspectives and aspirations of hapū, iwi and Māori were central to the Inquiry's report and its recommendations. Our response and the actions set out in this paper have considered the interests expressed by our Treaty partners in delivering the Inquiry's recommendations, and the importance of upholding the principles of Te Tiriti o Waitangi and strengthening the Māori-Crown relationship.
101. Our approach has also considered the need to uphold and give effect to relevant Treaty settlements in the Tairāwhiti and Wairoa districts. Several deeds of settlement and relationship agreements require central government to engage with Treaty partners on matters that impact on them, including on resource management matters. A joint-management agreement between GDC and Te Runanganui o Ngāti Porou for the Waiapu Catchment requires joint decision-making on RMA planning documents that affect the Waiapu Catchment. We will need to meet these commitments as we progress our response.
102. As noted by hapū and iwi in Tairāwhiti/Gisborne and Wairoa, meeting our obligations will require a long-term commitment from government. We will continue to engage with hapū, iwi and Māori and consider Treaty of Waitangi impacts as we finalise our short-term actions to reduce risk and take a phased approach to strengthening resilience over the long term.

### Climate Implications of Policy Assessment

103. The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that CIPA requirements do not apply to this proposal as it not expected to result in any significant, direct emissions impacts.

### Population Implications

104. The population impacts of these proposals are summarised in the below table:

Population group	How the proposal may affect this group
Māori	Whenua Māori (or Māori land, defined under Te Ture Whenua Māori Act to include Māori freehold and customary land) amounts to 234,871 hectares (20 percent) of land in Tairāwhiti, and Wairoa. It is disproportionately remote, less versatile land that makes it well-suited to forestry. Tairāwhiti also has a

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	<p>higher level of deprivation than any other district, with 77 percent of Māori in Te Tairāwhiti living within deciles 8 to 10.</p> <p>This, combined with the fact that over 50 percent of the population in Tairāwhiti and over 65 percent of the population in Wairoa are Māori, means that response has the potential to have a disproportionate impact on whānau and hapū. The response described in this paper is intended to both reduce risk to communities in Tairāwhiti and Wairoa from severe weather events and support the transition of land, including the particular challenges facing whenua Māori, to more sustainable land uses.</p>
Rural communities	<p>Many of the proposals and actions relate to forestry and land use, which are significant employers in Tairāwhiti/Gisborne and Wairoa. It will be important to bring along communities who could face disruption in the process, and minimise associated socio-economic impacts where possible as transition to new practices and land uses occurs.</p>

### Human Rights

105. Proposals in this paper are consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

### Consultation

106. The Ministry for Primary Industries and Ministry for the Environment met with the following stakeholders and iwi in the Tairāwhiti and Wairoa districts in the development of this paper: Gisborne District Council (CE and senior staff); Wairoa District Council (CE and senior staff); Hawke's Bay Regional Council (CE and senior staff); Environmental Defence Society; Eastland Wood Council; Hawke's Bay Forestry Group; New Zealand Forest Owners Association; New Zealand Institute of Forestry; Toitū Tairāwhiti, and Rongowhakaata. TatauTatau Wairoa were contacted but were unable to meet due to other commitments.
107. The Ministry for the Environment continues to actively engage with local government and iwi on the appointments' process for the two proposed Ministerial advisers.
108. The Minister for the Environment has consulted with Gisborne District Council's mayor in the preparation of this paper, and will continue to work with local government post Cabinet decisions. The Minister of Forestry has consulted with iwi representatives from the Tairāwhiti and Wairoa area, and various local forestry industry representatives in the preparation of this paper. The Minister will continue to work with these groups post Cabinet decisions.
109. The following agencies have been consulted in the development of this paper: Department of the Prime Minister and Cabinet, Department of Conservation, Ministry of Business, Innovation and Employment, Ministry of Transport, Waka Kotahi NZ Transport Agency, Office for Māori Crown Relations – Te Arawhiti, the Treasury, Ministry of Justice, Toitū Te Whenua Land Information New Zealand, Te Puni Kōkiri, Ministry of Health, and Department of Internal Affairs.

### Proactive Release

110. As soon as practicable after decisions being confirmed by Cabinet and public announcements made, we intend to proactively release this paper, subject to redactions as appropriate equivalent to those under the Official Information Act 1982.

## Recommendations

The Minister for the Environment and the Minister of Forestry recommend that the Committee:

- 1 **Note** that on 12 May 2023, the Inquiry appointed to conduct the Ministerial Inquiry into land uses associated with the mobilisation of woody debris (including forestry slash) and sediment in Tairāwhiti/Gisborne District and Wairoa District (the Inquiry) provided its report and recommendations to the Minister for the Environment and the Minister of Forestry (lead Ministers);
- 2 **Note** that on 6 June 2023, Cabinet invited responsible and lead Ministers to:
  - 2.1 consider the relevant Inquiry recommendations through their existing work programmes; and
  - 2.2 report back to Cabinet by the end of July 2023 on progress in responding to relevant Inquiry recommendations, and whether they are considering further work to do so [CAB-23-MIN-0206.02 refers];
- 3 **Note** that the lead Ministers have taken an all-of-government approach to developing the response to the Panel's recommendations, with the response to each recommendation set out in Appendix One;
- 4 **Note** that the long-term successful delivery of the Inquiry's recommendations will require effective action and support from a range of actors, including local government, central government, and land managers;
- 5 **Note** that Ministers and officials have engaged on a preliminary basis with local councils, iwi, hapū and Māori, and industry bodies to inform the prioritisation and development of the response;
- 6 **Agree** that the Government's response to the Inquiry's recommendations is undertaken in two phases: the first phase of actions focuses on immediate needs and near-term actions to 'reduce risk', and the second phase will be focused on actions to 'strengthen resilience' in Tairāwhiti/Gisborne and Wairoa;
- 7 **Note** that the complexity of the geography and geology in Tairāwhiti/Gisborne and Wairoa means there are likely to be ongoing impacts from severe weather events, and that removing all risk associated with land use is not feasible;
- 8 **Agree** that Phase One 'reduce risk' actions will include:
  - 8.1 effective, sufficient clean-up of woody debris to manage the risks it presents;
  - 8.2 strengthening resource management functions and decision-making;
  - 8.3 strengthening partnerships for future resilience;
  - 8.4 reducing risks of new woody debris flows and sedimentation;
- 9 **Note** that any potential justifiable costs to the Crown, identified as part of Phase One actions related to woody debris clean up, would be considered through the Regional Recovery Plan 'triage' process;
- 10 **Note** that the lead Ministers are actively considering Ministerial appointments to work with Gisborne District Council, hapū, iwi, and landowners, land managers, and the community, on addressing the inquiry recommendations, and consultation is ongoing on the terms of reference for any potential appointees;

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- 11 **Note** that Phase Two to strengthen resilience will be developed collaboratively with regions, seeking to leverage regionally led initiatives and existing government work programmes where possible, but that any financial implications will require confirmation by Cabinet;
- 12 **Note** that to maintain momentum, lead Ministers will receive an update on progress and any key areas for direction before the end of August 2023;
- 13 **Agree** that ongoing engagement with local government, iwi, hapū and Māori, and key stakeholders will occur to inform further and future development of Phase One and Two actions;
- 14 **Note** that actions progressed as part of the phased approach are expected to be funded from existing North Island Weather Event funding where practical, and that any additional funding requirements will need to be considered by Cabinet;
- 15 **Agree** that the lead Ministers, in consultation with the Minister for Cyclone Recovery, will determine the ongoing governance arrangements to monitor and drive progress in responding to the Inquiry's recommendations;
- 16 **Agree** that the lead Ministers will report back to Cabinet on progress and any associated financial implications, by 31 December 2023;
- 17 **Note** that any further Cabinet approvals for implementing the package of measures in this paper will be sought by responsible Ministers as necessary;
- 18 **Agree** that the Minister for the Environment and the Minister of Forestry will undertake further engagement related to the Phase One actions ahead of these being announced;
- 19 **Agree** that the Minister for the Environment and the Minister of Forestry will make a joint announcement on the Government response to the Inquiry, subject to recommendation 18.
- 20 **Agree** that as part of the announcement referred to in recommendation 19, communications will be clear that specific Inquiry recommendations that have been agreed in-principle will require further agreement by Cabinet after further investigation, development, and consultation.

Authorised for lodgement

Hon David Parker

Minister for the Environment

Hon Peeni Henare

Minister of Forestry