

### **Low-Emissions Economy draft report – comments from DOC**

This note summarises DOC's feedback on the Productivity Commission's draft report on transitioning to a low-emissions economy, as outlined at our meeting on 28 May 2018.

We appreciated the opportunity to discuss areas of interest to the Department. We think these will help “maximise the opportunities and minimise the risks of transitioning to a lower net-emissions economy” (Terms of Reference); and contribute to its exploration of the full range of potential benefits and opportunities. In addition, it includes additional suggested changes that support the key messages.

#### Key points:

- It's great to see that the draft acknowledges the role of forests in carbon sequestration. However, it implies that in New Zealand, most of this will be from commercial afforestation of exotic species. There is some acknowledgement of the role of native forests and soils, which could be expanded. The report should also acknowledge future opportunities from blue carbon (mangroves, coastal wetlands etc.), which isn't mentioned.
- Ensuring that indigenous ecosystems are in a healthy state is vital to ensuring that New Zealand can both mitigate and adapt to the impacts of climate change. For example, it would be useful to recognise:
  - o New Zealand native forests are a huge carbon reservoir. Investing in their long-term health is a way to ensure that these stocks are secured; and minimising the risk of future CO<sub>2</sub> release from land use change. This is a significant obligation in both the “Kyoto Protocol” and “Paris Accord”.
  - o Native ecosystems can often provide benefits for mitigation and adaptation simultaneously. For example, wetlands and mangroves can sequester carbon, and provide natural defence against inundation and extreme weather events. Reducing loss of these ecosystems and enhancing their restoration would provide many climate change benefits as well as co-benefits for biodiversity.
  - o Pine plantations can sequester carbon quickly but are only a short-term solution. There is significant long-term carbon sequestration potential not only from native forests, but also the soils under native ecosystems, mangroves, saltmarsh and seagrass. We should recognize and explore these opportunities. It would be beneficial to include specific research questions on these emerging issues in the final report, to ensure New Zealand can ‘harness the full potential of innovation and investment’.
- Inappropriate planting of exotic trees can create risks for native ecosystems, creating perverse outcomes. We suggest recognising in the report on this.
  - o Issues that should be factored into planning include inappropriate siting of forestry that can cause major damage in receiving environments. For example, estuaries and sea grass habitats are vulnerable to sedimentation. These are important fish habitats. Seagrass meadows in particular are important fish nurseries, so inappropriate

planting can have significant impacts on fisheries. Exotic forestry can require a lot of water, which can impact freshwater wetlands.

- We suggest planting activities are planned at a landscape scale – looking regions to determine the most appropriate places to put different kinds of trees. That would ensure any effects on native ecosystems, especially wetlands, are minimised.

Specific amendments:

- Page 253: *Discussion of MPI work showing that approximately 59,000ha could be planted on PCL.*

This data hasn't been ground-truthed and should be treated with great caution. The paragraph acknowledges that the purpose of the PCL is incompatible with exotic forestry, so it is not clear what the purpose is in context and does not support the argument that indigenous forests are an important part of the picture. We suggest it is removed or caveated.

- R10.2: *"The Ministry for Primary Industries working, with Land Information New Zealand and Landcare Research, should undertake a complete audit of the availability of government-controlled land suited for afforestation (whether native or exotic), and develop policy options that would cost-effectively establish forestry on such land as is available."*

DOC has been working closely with MPI on this topic. As part of the One Billion Trees programme, Ministers have publicly stated their intent that a significant proportion of the trees will come from indigenous planting. DOC's role in this aspect of climate mitigation and adaptation should be acknowledged in the research question.