

# OUTRAGE TO OPTIMISM

Report of 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

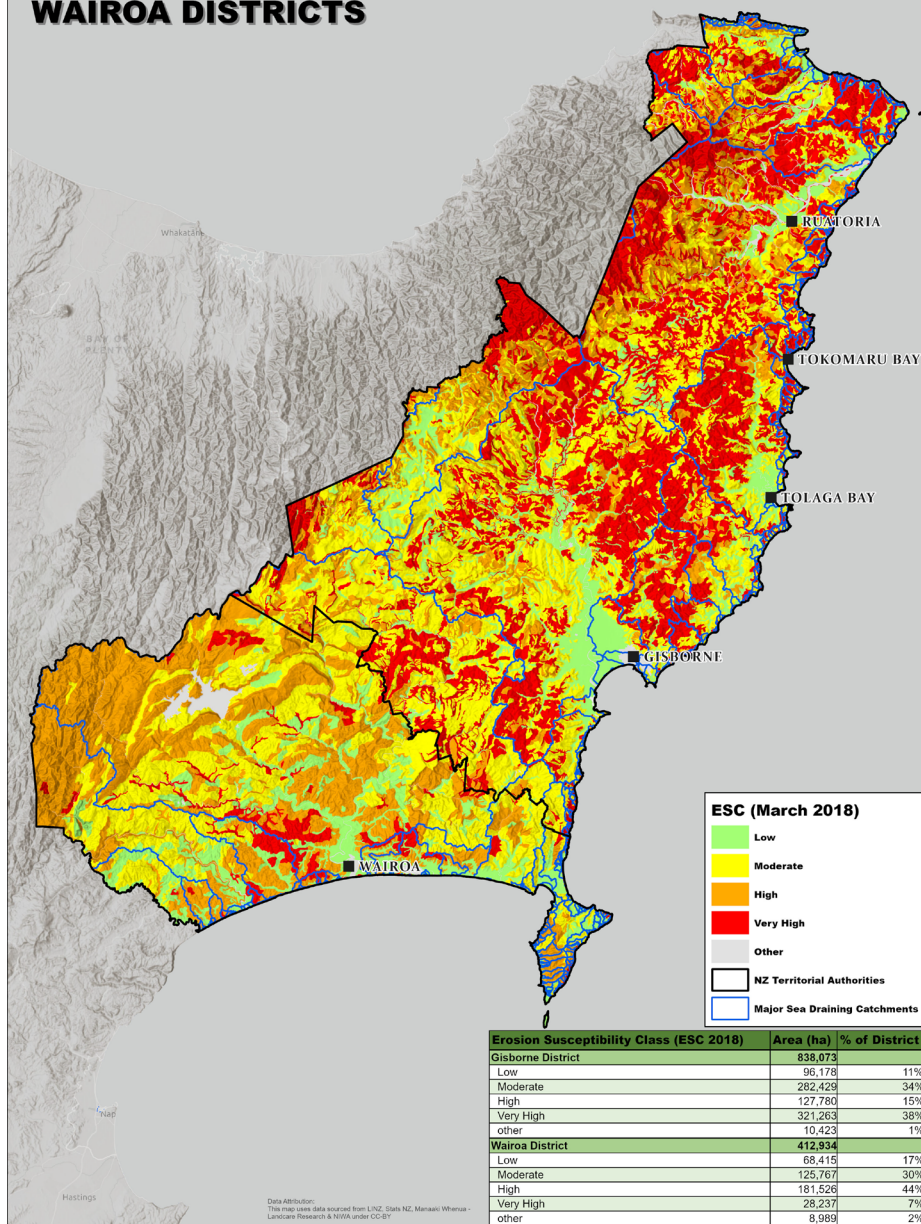


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## EROSION SUSCEPTIBILITY OF GISBORNE AND WAIROA DISTRICTS



Correction note: This report was first published on 12 May 2023. An updated version was published on 17 May 2023 to correct recommendation numbering errors and internal references to the recommendations only.

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# Mihi

Te ko, te ko,

Te ua nuku, te ua rangi, te ua patapata i awaha

Tina toka te pari ki Hawaiki!

Nga maunga whakahi, nga awa tuku-kiri, nga tai mihi-tangata, nga moana e hora nei, te papatipu e takoto nei, nga tohu o te taiao e warowaro ana te tangi, tangi ana te umere

“E hika ma, Whitiki, kei memeha, ngaro noa!”

Tena tatau Horouta wananga, Horouta whanaunga, Te Aitanga a Mahaki, Ngai Tamanuhiri, Rongowhakaata, Turanganui-a-Kiwa me ona hapori, Ngati Porou, Takitimu ki te tonga, Te Wairoa me ona hapori, Ngati Kahungunu, Rongomaiwahine, Rakaipaaka, Ngati Pahauwera me o tatau karangatanga hapu, tena koutou, kia ora tatau katoa.

We would like to acknowledge the people and communities of the Gisborne and Wairoa Districts, and the many difficult challenges that have beset their daily lives, and their future options. We thank you for your open, direct, and high expectations of our Panel, our Secretariat and our Report.

We promised that we would do our very best to faithfully represent your circumstances, your concerns and your aspirations. You will judge whether we have kept that faith.

We were honoured to be asked by Ministers to undertake this important and urgent work. We trust that the issues we have identified, the research, evidence and testimony we have seen and heard, the findings, and the recommendations we have made will compel with their purpose, practicality and urgency.

This is a moment in time that demands an urgent reset.

Kia u nga manaakitanga o te taiao e tauawhi nei i a tatau.

Na matau iti nei, na,



Hon Hekia Parata



Matt McCloy



Dave Brash

# Foreword

Ministers commissioned our Panel to urgently investigate the situation in Tairāwhiti/Gisborne and Wairoa<sup>1</sup> as a result of weather events – most recently Cyclone Gabrielle – which flooded woody debris and sedimentation into land, waterways and infrastructure, leaving people disconnected and desperate, feeling angry and abandoned.

We found that the impact was different in each of the Districts. Different soils, topography, land-use history, cumulative storm battering and fragile infrastructure meant there were obvious degrees of damage. Tairāwhiti experienced greater and more widespread impact than Wairoa. Across Tairāwhiti, outer communities of Te Aitanga-a-Mahaki and Ngai Tamanuhiri were devastated and Rongowhakaata and Turanga flood plains flooded, while Gisborne city, except for failure of the water infrastructure, was largely resilient. Ngati Porou communities took hit after hit in broken roads and bridges, lost power and communication, delayed and undependable emergency provision. Accordingly, while we make findings and recommendations for both Districts, the urgency of the situation across Ngati Porou is unassailable. An environmental disaster is unfolding in plain sight.

Papatuanuku is battered and bleeding, Ranginui a fury, and Tane Mahuta bent and breaking. Sedimentation from more than a thousand untreated gullies, trees, logs and slash off hills that should never be plantation planted or clear felled, waterways choked with debris flows, riverbeds aggraded, coastlines suffocated and dangerous, roads and bridges unfit, unpassable, and many broken.

Ngati Porou tangata whenua, the people of this land, are in peril, at risk of becoming homeless and landless. We saw and listened to their grief, exhaustion, fear – of the next storm, of the next rain, and for the future. We felt called to urgent action.

We are not a third world country. We heard from experts that the situation is perilous – the time to act is now. In their estimation we have 5 – 10 years to turn this environmental disaster around. To urgently reset the future of Ngati Porou, and the whole of Tairāwhiti.

Where there is huge risk there is great opportunity. The opportunity here, in Tairāwhiti, is to move with purpose and pace to implementing our international commitments on climate change, our policy statements on adaptive transformations, to make investments in biodiversity, ecosystem restoration, bespoke land and catchment use, quality water and waterways, resilient infrastructure, reliable emergency management. The uniquely complex and isolated environment

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<sup>1</sup> For ease of reference, we use the broad inclusive names of Wairoa and Tairāwhiti throughout the report, unless we are specifically referring to the Territorial Local Authority, Wairoa District Council (WDC), Gisborne District Council (GDC).

of Ngati Porou and the East Coast offers the context of a living laboratory for practical application of these commitments, in real time, in plain view. Now.

We have the opportunity to grow a climate adapted, biodiverse, flourishing environment and economy in Tairāwhiti. Establishing the basis for a sustainable approach is possible in the next decade. Over ensuing generations, we can look forward to science and tikanga based relationships with the environment that create quality livelihoods and lives. And reciprocate with transportable models and practices of what can work in other parts of our country, and the world.

With commitment to this vision for our environment and for the people and communities who live within and with it, the critical ingredient to realising success for Tairāwhiti will be strong, shared, selfless local and regional leadership and governance – mana whenua, mana tangata. A modern, forward looking honouring of Te Tiriti o Waitangi, with principles of protection, participation and partnership will mean that quality citizenship for all, can be realised here.

We have 10 years.



# Approach

Our Inquiry Panel was directed to act forthwith on a set of wide-ranging Terms of Reference, in March and April.<sup>2</sup>

As introduction we flew with experts over Wairoa, Turanganui-a-Kiwa Gisborne, and Ngati Porou East Coast.<sup>3</sup> We drove as far as State Highway 35 would then allow, to Tolaga Bay, and south to Wairoa. We read reports that told of complete isolation, destruction and dislocation of communities north and south, and we experienced failure of the water infrastructure in Gisborne.

We committed the first half of our Inquiry to public engagement, and then threequarters. Not only did we want to hear directly from people themselves, we understood that all communities were in stages of immediate recovery, and we wanted to be least burdensome of their time and strained emotional resources. We wanted to listen to everyone who wanted to be heard.<sup>4</sup>

We met first with the regional leadership, mana whenua and local authorities, lead petitioners, mana taiao, sector leadership in economic development, forestry. We then held hui in Te Araroa, Ruatoria, Tolaga Bay, online with Tokomaru Bay, and community meetings in Wairoa, Gisborne and Ngatapa. We met with land-use experts, land-care researchers and scientists, representative land use organisations and individuals, iwi company executives, land incorporations, trustees; attended a full Gisborne District Council meeting, and subsequently with all managers and the executive leadership team. We accepted the generous offer of EIT facilities to meet with groups in person and online, and to host a fully subscribed morning of 15-minute drop-ins for individuals who did not wish to speak at the public gatherings.

We met with workers and leaders of environmental interventions, rescues, and restoration – most particularly the Raukumara, Waiapu, Uawanui, Waimata, Mahaki and Tamanuhiri, Pahauwera and Pohaturua Trust Jobs for Nature teams.

We met with the forestry representative council, forest companies and woodlot managers, individual forest owners and associations, forest processing and forest machinery experts, forest consultants, contractors and kaimahi, retired and ex-forest workers, forestry families and intergenerational forestry whanau, and we spent time on field trips to forests and to see diverse forest enterprises. We met with technical experts on the Emissions Trading Scheme (ETS), and with economic and market innovators. We heard from regional and national organisations.

We met with NZTA.

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<sup>2</sup> Refer to Appendix 3 – Terms of Reference.

<sup>3</sup> Refer above, n 1.

<sup>4</sup> Refer to Appendix 4 – Summary of submissions and Appendix 5 – Engagement file notes.

Despite our many efforts, we were disappointed that the offer by Trust Tairāwhiti to convene their land use networks, did not eventuate. We relied instead on personal contacts and referrals.

In our engagements, we invited discussion on the action to be taken on woody debris, slash, sedimentation and waterways; on ensuring the legislative, regulatory and operational settings for land use and environmental management were fit for purpose; on realigning or designing the economic drivers, financial incentives, and mechanisms such as the ETS necessary for access to capital, development, and commercial return; on the detail and phases of a Just Transition to a better and sustainable liveable and workable relationship with the local environment; and, on the legacy left for our mokopuna.

In the 8-week period of our engagement we met with a total of 50 communities and groups, and with approximately 500 people. We received 318 written submissions. And we were accosted in the car park, on the street, and in cafes by numerous folk who had attended the gatherings, wished they had, or they didn't, but still wanted us to know how they felt. We welcomed all encounters.

This report summarises our findings and sets out our recommendations. The [Appendices](#) set out background information in support of this report. In Appendix 1 we set out, in more detail, the body of evidence supporting our findings. Appendix 2 outlines the background information from sections 12.3.1–12.3.6 of the Terms of Reference. The Terms of Reference itself is included as Appendix 3. The summary of the submissions received is presented Appendix 4, and the file notes describing our engagement meetings is set out in Appendix 5. The appendices will be available at [environment.govt.nz/MILU](https://environment.govt.nz/MILU) from 19 May 2023.

# Woody debris, sediment and waterways

## Findings

1. The Panel found that lives and livelihoods were put at risk. People were isolated, and suffered trauma to their social, emotional and mental health. Woody debris and sediment caused destructive debris flows and resulted in widespread damage to properties, infrastructure and ecosystems. These symptoms of failure, weaponised by cyclonic winds and weather bombs, have created an emergency and require urgent clean-up action.

## Debris and sediment clean-up

2. The residue of sediment and woody debris dumped across the region continues to impact the physical, and mental wellbeing of affected communities. In many cases the clean-up is beyond the capability of the local community – although some clean-up is happening, it is ad hoc. Much of the focus is on the visible debris, but the residue sitting in streams and on hillslopes further up the catchment is poised to repeat the cycle of misery in the next storm. Although money is being made available to support the clean-up effort, we think the clean-up will benefit from coordination to clean-up the existing debris, to de-risk catchments of debris dams and debris that can be remobilised, and to plan and prepare for a more rapid response to future events.
3. We recommend the establishment of a Woody Debris Taskforce to lead the planning and delivery for current and future clean-up activities across both Wairoa and Tairāwhiti. This will need independent leadership, and involvement from all three councils<sup>5</sup> and the forestry sector. We think the lion's share of the funding for that taskforce needs to come from the forest owners with the remaining contribution split between central government and councils. In our view, the forest owners have an obligation to establish a sustainable funding system to support current and future clean-ups and to help restore their social licence within the community. One possible option for that funding is through the Forest Owners Association levy on log sales. We recommend that Ministers ensure that a sustainable funding model is established, using regulatory powers if required.
4. We heard clearly through our engagement that priority should be given to employing local people, such as hiring out-of-work forestry crews for clean-up activities and supporting the work of existing Jobs for Nature projects.
5. We propose that the taskforce undertakes the removal work on a risk-priority basis, with the debris removed for reuse as biomass wherever practicable or otherwise mulched and spread where the wood chips cannot enter waterways to cause further problems. We are unconvinced

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<sup>5</sup> GDC, WDC, and HBRC.



that debris traps have broad application. We have concluded that the only credible way of reducing the mobilisation risk from debris already in the system is to remove it (and ultimately to improve forestry practices to prevent deposits of debris in risky locations).



**Figure 1:** The debris from Cyclone Gabrielle on the Tolaga Bay beach. Some of the children present at the Tolaga Bay hui have never seen the beach clear of debris. It is a mix of forestry slash, whole trees, willow and rubbish

## Waterways

6. On several occasions we heard from communities about river blockages and debris that had been identified as being a flood risk, but which had not been addressed. These ultimately contributed to rivers overwhelming flood controls or riverbanks, increasing flood damage. Calls for a return to ‘catchment board days’ reflected community concern that active river management had been subsumed by other council activities. We consider that the councils need to be actively involved in managing rivers, streams, riparian areas and weeds, to enhance the free flow of water and debris and protect the health of the ecosystem. Further, infrastructure that contributes to river blockages needs retrofitting or redesign to avoid these impacts. Of course, any changes need to be made in the context of the [National Policy Statement for Freshwater Management 2020](#) (NPS-FM).



**Figure 2: Flooding of unprotected productive land, causing damage to crops in Tairāwhiti**

7. We note that the two councils in the Inquiry area are likely to need financial and technical support to undertake a flood-capacity assessment identifying blockages, and to resolve those individual issues. However, we recognise that the inability of smaller councils to fund catchment-management activities is a symptom of the broader challenges around funding local government services, as discussed in the [Leadership and governance](#) section.



**Figure 3: Aggradation in the lower reaches of the Waipū River, causing the river to breach its channel, and deposit sediment on adjacent land**

8. Longer term management for the sustainable health and use of two of the major water catchments is critical. The health and wellbeing of people and communities, together with land use in any form, requires an integrated relationship with the sustenance of quality water.
9. We consider that legislating for the health of the Waipaoa and Waiapu Rivers to be a mandatory legal consideration will recognise the inherent mana and kaitiaki responsibilities of their iwi and hapu over respective catchments and considerably speed up improvement in the local health and wellbeing of both rivers. We think this will be helpful to achieve Te Mana o te Wai.

## Recommendations

Our recommendations on woody debris, sediment and waterways are as follows.

We invite ministers to:

- R1. Establish a Woody Debris Taskforce to coordinate the clean-up, to de-risk catchment debris accumulations, and to plan for and respond to future events in Wairoa and Tairāwhiti. This taskforce should prioritise employing the local workforce for clean-up work.
- R2. Investigate funding approaches for the Woody Debris Taskforce that share the clean-up costs equitably between contributors, councils and central government.
- R3. Provide funding assistance to Gisborne District Council (GDC) and Hawke's Bay Regional Council (HBRC) (for Wairoa) to:
  - R3.1. undertake a flood-capacity assessment to identify and fix critical risks to river flood-flow capacity
  - R3.2. support the work necessary to agree a long-term sustainable funding model for ongoing waterway management.
- R4. Introduce legislation that provides tailor-made legal frameworks for the restoration and maintenance of the environmental health of the Waiapu and Waipaoa Rivers, including conferring legal personality on the rivers, in conjunction with the establishment of a governance entity empowered and resourced to act and speak on their behalf.



# Infrastructure

## Findings

10. The Panel found that Tairāwhiti and Wairoa, due to their isolation, are heavily dependent on two state highway corridors, SH35 and SH2, which act as the main arteries for the regions. The two areas have inadequate water infrastructure and vulnerable energy and communication networks. Decades of underfunding from narrow investment criteria and reactive storm recovery has resulted in a range of ‘band-aids’ being applied to infrastructure that is already critically failing. The lack of resilient infrastructure impacts communities and their connectivity, as well as stymying the possibilities for higher-value land use and increased productivity.

## Strengthening infrastructure resilience

11. Tairāwhiti as a region has actively participated in resilience planning for infrastructure every three years, as the system requires. The system and its criteria never enable a resilient infrastructure budget to be led and delivered within Tairāwhiti. We heard that SH35 is not regularly maintained and is underfunded, and it loses a lot of value by the system enabling government spending to go to large contracting companies that are under performing.
12. We heard that Tairāwhiti and its dedicated contractors can deliver faster solutions and responses than the larger Tier 1 providers, who seem embroiled in procurement contracts. This community needs action, as well as a system that enables that action to occur (we learnt about local contractors fixing the Mangahauini Bridge in the torrential rains of March 2022) and the opening of Pourau Road being initiated despite NZ Transport Agency (NZTA) and GDC). This region needs support, and a critical factor in its recovery is that those capable of just getting on with the job and restoring connectivity are enabled to do so. This includes the active use of progressive procurement, and the opportunity to designate Tairāwhiti as the region to exceed the Government’s target for Māori involvement.
13. The community has faced wide-ranging impacts to networks and services because the infrastructure is not resilient. We heard of cases where ambulances, access to healthcare and emergency services were not available because communications and roads remained impassable for days. There were also worries that damage to infrastructure, poor access and rising costs will drive people from their homes and whenua in the longer term.



**Figure 4: Broken State Highway 35 at Hikuwai**



**Figure 5: Broken State Highway 2 at Waikare**

- 14. There is no redundancy in the roading system – no alternative to when SH35 fails as it so often does. Te Ara Tipuna, a proposed 657km network of continuous tracks and trails from Gisborne to Opotiki can help offset the complete reliance on SH35. While providing for land-use outcomes for over 350 land blocks along its journey, Te Ara Tipuna will be an alternative access and exit route for East Coast communities during times of emergency. We heard that Te Ara Tipuna can provide for a specific strengthened civil defence standard accessway between Tokomaru Bay and

Ruatoria, with communities along this route most isolated by weather events. The biodiversity opportunities, including eco-tourism is another lever, that will open economic, cultural and social value on land blocks that may currently be under realised.

15. We heard from many communities, about the ‘blue highway’<sup>6</sup>, which was emphasised particularly for its use during the Cyclone Gabrielle response. This proposal might include the re-establishment of some wharves along Tairāwhiti, and in particular, support for the Te Araroa Kahui Kupenga Marine Facility, as an alternative to the unreliable SH35 and limited airstrips and helipads across the rohe.
16. Infrastructure will make or break Tairāwhiti as a place to do business, create employment and enjoy what other regions take for granted. Without good resilient infrastructure this region and its people are deprived of opportunity to diversify, and to live good lives. No other part of Aotearoa New Zealand is required to endure the scale and level of risk of failed and failing infrastructure.
17. There are innovative examples of how this can be achieved. After several years of weather events, underinvestment, and sometimes complete oversight, and then amplified by Cyclone Gabrielle, communities are now more engaged in becoming more sustainable. Te Runanganui o Ngāti Porou shared one approach of just that, through E Tipu, E Rea – Ngāti Porou Food & Fibre Hub. The concept includes the development of industries that can be built throughout Tairāwhiti, including a solar farm to provide sustainable energy to support horticulture, agriculture and housing developments. It is one mechanism to bring a hub to East Coast communities making them less reliant on resources outside of their own.
18. The water supply and treatment systems were severely impacted in Gisborne, Wairoa and other small towns creating significant health risks. In many cases these resilience problems had been understood for some time and while plans and materials were in place to fix them, the cyclone intervened. These plans need to be revisited in light of Cyclone Gabrielle to ensure infrastructure is not vulnerable to woody debris flow and there is some redundancy in the system to ensure safe water supply.
19. There are long standing vulnerabilities with electricity transmission to East Coast communities. The electricity supply is regularly disrupted due to damage to the transmission lines, from windfall trees along the transmission corridor. We heard from Eastland Group Limited<sup>7</sup>, the previous owner of the transmission lines, that an alternative ‘off grid’ self-sufficient approach to electricity supply has been piloted with one of these communities. We are told this pilot has been successful and offers a viable alternative to the current arrangements by providing bespoke self-sufficient energy at a community level. This warrants support from the Government to make it a reality.

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<sup>6</sup> The ‘blue highway’ refers to a proposal to promote coastal shipping as an alternative to road transportation.

<sup>7</sup> Via a late verbal submission to the Chair of the Inquiry panel.



## Recommendations

Our recommendations on infrastructure are as follows.

We invite Ministers to:

- R5. Consider in developing the next GPS and [National Land Transport Programme \(NLTP\)](#) to enable:
  - R5.1. provision for adequate maintenance and renewals of SH35 and SH2
  - R5.2. alignment with the infrastructure outcomes of the RSS, its implementation plan (refer R42 where GDC and HBRC become Tranche 1 regions under the SPA) and the resilience plan for SH35 and SH2 (refer rec 7 below)
  - R5.3. greater flexibility to move money between activity classes when faced with emergency and recovery situations
  - R5.4. prioritise the use of local infrastructure providers that deliver value for money, to work around challenging government procurement processes.
- R6. Enable Tairāwhiti-specific policy criteria to address connectivity and resilience, and to support transition to high-value production.
- R7. Ensure the development of a full resilience plan for SH35 and SH2 in the region, and fully fund the plan in its entirety, separate from the National Land Transport Programme by the end of 2024. This is a major capital investment that will need specialist expertise to be procured and to be delivered (the Order in Council should be considered to set up this delivery model). The plan needs to include innovative design solutions and consideration of routes and large stabilisation works necessary to deliver resilience, and must integrate with the following resilience projects:
  - R7.1. Te Ara Tipuna, a partnership project between the Crown and Ngāti Porou through the Ngāti Porou Crown Accord (Taumata)
  - R7.2. E Tipu E Rea – Ngāti Porou Food & Fibre Hub, as committed to by the Crown and Ngāti Porou through the Ngāti Porou Crown Accord (Taumata 2022)
  - R7.3. the establishment of Te Araroa Kahui Kupenga Marine Facility and barging facilities.
- R8. Ensure sufficient funding is made available for the projects in para R7.1-7.3.
- R9. Consider a referral for fast-track consent of Te Araroa Kahui Kupenga Marine Facility proposal by the Minister for the Environment and the Minister of Conservation.
- R10. Request the Gisborne District Council and the Wairoa District Council (WDC) prioritise the reinstatement of their drinking supplies and build back better where practical.
- R11. Ensure a clean drinking water scheme is provided within Tairāwhiti and Wairoa to back up the municipal water supply, as a matter of urgency. This could take the form of a tank (and filter) subsidy for all residents.

R12. Support the further investigation, and implementation, of self-sufficient electricity supply systems for the small, isolated communities in Tairāwhiti.

# Land use

## Findings

20. The Panel found that much of the current land use is unsustainable. The unintended consequences of successive government strategies and inadequate local authority intervention have arisen from a failure to recognise the complexity of the regions' well-known geomorphology and people. The loss of soil is perilously close to being irretrievable. Catchment-based planning should be restored, incorporating mosaics of activities that reflect the specific characteristics of the catchment.

## Enabling a mosaic of sustainable land uses

21. The fragility of land in this region is well known, with Tairāwhiti being more vulnerable than Wairoa. Despite this knowledge, the interventions intended to maintain productive uses of the land have largely failed to stem the flow of soil to the rivers and then to the sea. Worse still, some of our previous land-use decisions, which sought to stabilise the hills that had been deforested for pastoral farming, are now resulting in woody debris being added to the sediment flows, magnifying the impacts on downstream communities.
22. The solution, in our view, is to pursue a more nuanced vision of a mosaic of sustainable land uses – both protective and productive – that are more appropriate to their place in the landform. Within the existing red zone, there is some land that is too susceptible to erosion to be used for forestry or farming. We propose this land needs to be identified in the Erosion Susceptibility Classification (ESC) as having 'extreme erosion susceptibility' and be mapped as a 'purple zone'. This land must be returned to permanent forest – preferably native – which would have the advantage of biodiversity co-benefits. Identifying that land at a management unit scale requires higher-resolution information than is currently available.
23. We heard that around half the erosion in Tairāwhiti comes from highly erodible gullies, despite them only representing around two per cent of the region's area. To date, efforts to restore these gullies have barely kept pace with the formation of new ones. We heard from soil scientists that the next five to ten years is critical or the damage may be irretrievable<sup>8</sup>. A sustained and focused effort will be required for several decades to reduce their contribution. In addition to transitioning purple zone land to permanent forest and healing the gullies, we also need to improve forestry practices and management of pastoral farming. In Wairoa, erosion is more commonly associated with shallow mid-slope land sliding. The [freshwater farm plan](#) (FW-FP) process provides an ideal opportunity for pastoral farmers to future proof their farming activities,

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<sup>8</sup> Presentation from Dr Mike Marden during engagement.

reducing soil loss in the process. Proposed changes to forestry management are discussed in the [Forestry](#) section.



**Figure 6: Untreated gully erosion, Tairāwhiti. “Gully Erosion is a cancer in the Waipū Catchment” (Mike Marden)**

24. We know that the current Tairāwhiti Resource Management Plan (TRMP) is out of date and urgently needs review (see [Leadership and governance section](#)) The catchment-focused approach for managing freshwater required by the NPS-FM needs to be mirrored by the same approach to managing land-use activities – particularly for the most erosion-prone land, and for riparian margins around waterways. The establishment of permanent exotic forests in inappropriate locations is of great concern to many in the region, and this needs to be addressed in the plan review.
25. Among other issues, such as access to capital on whenua Māori, we heard that access to water to enable horticulture development is a critical part of the mosaic of sustainable land use. The first-in-first-served allocation principle of the RMA is impeding regional transformation and demands reconsideration.
26. The Government’s programmes such as Mahi mo te Taiao (Jobs for Nature) and Raukumara Pae Maunga have been positively impactful in the region, with intergenerational teams of inspired people committed to the restoration and protection of the whenua they whakapapa to. However, despite the need for long-term and continuing environmental care, the funding is temporary. Securing, and expanding the funding for these programmes is essential. This workforce will



provide the skilled and experienced labour force, environmental management and governance capability needed to tackle the task of transforming our most vulnerable land to forest and other environmental change required. They and those they attract to this work have found their calling. They need reliable funding to continue their critical front line work.

## Recommendations

Our recommendations on land use are as follows.

We invite Ministers to:

- R13. Direct the GDC to include land-use policy in its regional planning instruments to support a mosaic of sustainable land uses which reflect the characteristics of individual catchments.
- R14. Direct officials to procure from Crown research agencies, a high-resolution soil erosion susceptibility map for Tairāwhiti and Wairoa, that includes the identification of land with an extreme erosion susceptibility to create a new classification – a ‘purple zone’.
- R15. Require land with an extreme erosion susceptibility to be transitioned from current uses to permanent canopy cover such as native forest.
- R16. Urgently focus land management policy and funding on stabilising existing gully erosion in all land uses in Tairāwhiti.
- R17. Prioritise the roll-out of the freshwater farm plans in Tairāwhiti and Wairoa, to focus on reducing sediment loss from pastoral land, which should include stabilising hill slopes and improving riparian management.
- R18. Direct that (via [s 25B](#) of the RMA) the regional plan for Tairāwhiti be reviewed (and, where applicable, that the Hawke’s Bay Regional Council (HBRC) review its regional plan), with a focus on:
  - R18.1. reflecting the Inquiry recommendations
  - R18.2. introducing land-use rules that control land use activities on land with extreme erosion susceptibility
  - R18.3. introducing increased requirements for riparian management on farms and in plantation forests
  - R18.4. introducing land-use rules that control the location of permanent exotic monoculture forests established for carbon farming under the Emissions Trading Scheme (ETS).
- R19. Provide an equitable natural resource allocation mechanism for ground and surface water, to support the transition to higher-value land use in the region.
- R20. Baseline funding for, and consider the expansion of the Mahi mo te Taiao (Jobs for Nature) and Raukumara Pae Maunga programmes to match the size of the challenge in the region.

# Forestry

## Findings

27. The Panel found that the forest industry has lost its social licence in Tairāwhiti due to a culture of poor practices – facilitated by the GDC’s capitulation to the permissiveness of the regulatory regime – and its under-resourced monitoring and compliance. Together, these factors have caused environmental damage, particularly to land and waterways, and they have put the health and safety of people and their environment at risk.

## Loss of social licence

28. From our engagement with the community, and as acknowledged by the industry itself, it seems clear that forestry has lost its social licence because of its activities. Nowhere is this more evident than in the Uawa catchment, particularly the Hikuwai River. We heard that, in this catchment, clear-felling of 4,500 hectares of forest over a 3- to 5-year period led to sediment and woody material forming debris flows that caused devastating damage downstream. The existing regulatory instruments are too permissive and did not prevent large areas of individual catchments being felled at once. This needs an urgent response.
29. Accordingly, we recommend an immediate halt to large-scale clear-fell harvesting within Tairāwhiti and Wairoa districts, and the adoption of staged coupe harvesting as an alternative. This should be undertaken alongside the immediate extensive clean-up of woody debris, as discussed in the [Woody debris, sediment and waterways](#) section. It is important to note that this recommendation only relates to Tairāwhiti and Wairoa and is not intended for nationwide application. This restriction of clear-felling would include the following.
  - There should be a limit to the total area within a catchment that can be clear-felled each year. We suggest that an appropriate area is no more than five per cent of a catchment per year.
  - We suggest that an appropriate maximum staged coupe size is 40 hectares. A minimum ‘green-up’ period of five years between staged harvest coupes will minimise the risk of large-scale erosion events.
  - There should be a requirement to remove woody debris from red-zoned land wherever practical or otherwise dispose of safely.
  - A requirement should be introduced that forest harvest plans be reviewed and approved by an appropriate central government regulator, in order for forestry activities to be permitted under the [National Environmental Standards for Plantation Forestry](#) (NES-PF).

## The regulatory environment is broken

30. The regulatory environment and implementation of regulations have miserably failed to prevent predictable off-site effects from forestry activities. The NES-PF is too permissive, the council plan is out of date and inadequate, the consents have been ineffective, and compliance monitoring activities appear to have been under-resourced. These instruments need review.
31. Forestry practices must adapt to better reflect the fragile landscape. In addition to the restrictions on clear-felling, we suggest that plantation forestry needs to transition away from the most extremely erosion-prone land. Achieving this is likely to require amendments to the NES-PF, as well as to the relevant regional plan. We suggest that amendments need to expand the current ESC to include an 'extreme' erosion susceptibility category (a 'purple zone'). The ESC will need to be remapped in higher resolution to identify the purple zones, which can then be identified in the respective regulatory tool.
32. Where exotic plantation trees are currently planted in the proposed purple zones, a specific harvest-management plan would set out how the removal of the plantation trees will occur, how pests will be managed, and how to transition to appropriate permanent vegetation. We also consider that the current riparian controls in the NES-PF need to be more nuanced, to enable much larger riparian zones – to both minimise mobilisation of debris and enhance stream health. Further to our suggestion that coupe harvesting be adopted immediately on soils at risk of extreme erosion, we propose that the NES-PF should be amended to apply coupe harvesting to orange and red zones within Tairāwhiti and Wairoa. As outlined in paragraph 29, our view is that an appropriate coupe is a maximum size of 40 hectares (with a minimum 'green-up' period of five years or canopy cover before harvesting adjacent coupes).



**Figure 7:** Trees on a steep 'purple zone' face that needs to be transitioned from plantation forest

33. In order to reduce the size and volumes of slash remaining post-harvest, Tairāwhiti needs to improve the market opportunities and create a commercial use for harvest residues. There are multiple initiatives already underway in the [Forestry and Wood Processing Industry Transformation Plan](#) (FWP ITP) to develop this slash-processing infrastructure.
34. To many, overseas investments in forestry have contributed to poor land use and the debris problem. In addition, good large-scale pastoral land is being approved for forestry. First, the consent criteria in [Part 2](#) of the Overseas Investment Act 2005 need to be reviewed to ensure that both benefits and costs are considered. Second, applications should be prioritised for forestry investments that are longer term (at least the rotation length of the forest purchase) to discourage speculative investment and that include investment into value added processing to improve market opportunities for harvest products processing plants. We note that if the GDC had provided protection in its plan, afforestation of large-scale areas of beautiful pastoral land such as Huiarua and Matanui Stations would not have been possible, nor, therefore, subject to Overseas Investment Office processes.
35. The Minister of Finance should review the OIO decision to not carry over the condition of requiring a processing plant to be built as a condition of the purchase of Hikurangi Forest Farms. The Minister should also review the OIO decision allowing the Huiarua Station and Matanui Station to be sold and planted in exotic trees.
36. Three Forest Stewardship Council (FSC)-certified forestry companies that operate in the Tolaga Bay Area were convicted of environmental offences in 2018. We find it extraordinary that companies that have convictions for environmental offences and are responsible for environmental and property damage and loss of social licence have maintained FSC certification, despite the certification requirements that include specific environmental stewardship responsibilities. In our view, the ongoing certification of these companies substantially undermines the credibility of the FSC certification system. Although FSC certification is independent and outside of the control of the New Zealand Government, we suggest the Minister may wish to write to the FSC seeking an explanation for this untenable situation.

## Recommendations

Our recommendations on forestry are as follows.

We invite Ministers to:

- R21. Immediately restrict large-scale clear-felling of plantation forests in Tairāwhiti and Wairoa, in favour of staged coupe harvesting.
- R22. Make an Order in Council under s 7 of the Severe Weather Emergency Recovery Legislation Act 2023 (SWERLA) providing that, in respect of the areas covered by the Tairāwhiti Resource Management Plan, plantation forestry is a restricted discretionary activity when taking place in any red zone or orange zone (as defined in the NES-PF) with discretion



restricted to the matters listed in reg 71(2) of the NES-PF.<sup>9</sup> Such status to apply despite anything in any regulations, plan, or proposed plan.

- R23. Make an Order in Council pursuant to s 7 of the Severe Weather Emergency Recovery Legislation Act 2023 modifying the RMA in the areas covered by the Tairāwhiti Resource Management Plan providing that a review of existing and live resource consent conditions, and lodged but unimplemented<sup>10</sup> harvest plans, can be undertaken without using the prescriptive process set out in ss 128–130 RMA.
- R24. Request that Hawkes Bay Regional Council consider and advise the Minister whether s 7 of the Severe Weather Emergency Recovery Legislation Act 2023 should be invoked to make additional Orders-in-Council equivalent to Recommendations R22-23 above in respect of the Wairoa District using the process set out in R23.
- R25. Direct that the regional authority initiate a review over the next six months of the conditions of existing and prospective forestry-related resource consents issued by the GDC, to ensure the conditions are appropriate to manage actual and potential adverse effects.
- R26. Direct the regional authority initiate a review of the GDC’s compliance monitoring and enforcement approaches to ensure:
- R26.1. they are fit for purpose and appropriately resourced
  - R26.2. the GDC has both a strategy and an implementation plan for its compliance activities related to forestry.
- R27. Direct that the current review of the NES-PF, and the review of the regional plan (refer recommendation R18) consider the principles in set out in paragraphs 29 – 32 in order that in the longer term there is a coherent set of national and regional rules.
- R28. Write to the Forest Stewardship Council (FSC) seeking explanation for why forestry companies have retained their FSC certification after they have been convicted of environmental offences, failed to meet their environmental stewardship responsibilities and lost their social licence in Tairāwhiti.
- R29. Review approval criteria in the Overseas Investment Act 2005, to ensure that both benefits and costs of forestry investments are considered, and that priority is given to investments with a minimum of 30 years or rotation length of the forest purchase subject to practicing the forestry management recommendations included within this report.

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<sup>9</sup> Effectively: the preparation and content of any harvest plan and forestry earthworks management plan; the type and method of harvesting; timing, location and duration of harvesting; measures to address effects of harvesting on water quality, riparian zone vegetation, wetlands, and the coastal marine area; measures to minimise soil erosion; measures to contain and remove slash; and information and monitoring requirements.

<sup>10</sup> Or partially implemented and ‘live’ harvest plans drawn up pursuant to Reg 66 of the NES-PF.

R30. Review the decision of the Overseas Investment Office not to carry over the condition that required a processing plant to be built as a condition of the purchase of Hikurangi Forest Farms.

## Whenua Maori

### Findings

37. The Panel found that Maori landowners had a longer-term view and a more sustainable relationship with the environment, despite many obstacles. Maori own less than a fifth of their ancestral land across Wairoa and Tairāwhiti. What land remains is not individually owned and often lacks legal governance entities. This land is generally located on the most marginal land zones, with poor or no accessibility; it cannot be sold and is constantly predated upon in the public interest – such as through persistent compulsory acquisition of whenua Maori for regional infrastructure.<sup>12</sup> Attracting capital of any sort – and particularly capital of a size to make development truly possible – is the exception. Having a property right without any of the conditions needed to realise its value is, in effect, having nothing, except a liability. The position of whenua Maori today is the direct result of generations of successive government decisions.
38. Although whenua Maori land uses have not caused problems (generally the inverse is true) notwithstanding, it is addressing all other issues around whenua Maori that is critical to equitably achieving the transition to more sustainable land use.

### Supporting productive whenua Maori

39. Whenua Maori amounts to 234,871 hectares (20 per cent) of land in Tairāwhiti, and Wairoa. A relatively large number of owners possess fairly small portions of land, with the average size and allocation of a Maori land block being 51 hectares with 113 owner interests. Iwi, hapu and whanau have lost most of their productive lands; 78 per cent of whenua Maori in Wairoa and 88 per cent of whenua Maori in Tairāwhiti is in land-use classes 6, 7 and 8. The majority of this is within the Ngāti Porou East Coast rohe, which has the highest concentration of whenua Maori in the country.
40. For many decades these landowners have pivoted and turned to each new ad-hoc government imperative for land use. The Government must now bring balance to their relationship and properly engage with Maori landowners in all aspects that impact on their land with expedited governance establishment processes, through the Maori Land Court, together with a reliable process for investing in development. The Government must also appropriately invest in whenua Maori to encourage the governmental priorities of increasing biodiversity in land-use change.
41. Through the work of Te Puni Kokiri (TPK), the Ministry for Primary Industries (MPI), and others in providing advice on the potential for land-use change (via feasibility studies), there has been

government investment to increase the use of whenua Maori. Access to capital is the single biggest barrier to moving beyond this stage, and into meaningful development and land use. For landowners to access capital, their land block must be governed, be ably managed and have an investment partner. The only partner been the government of the day, an inconsistent and episodic funder. However, there are now wider opportunities for co-investment, potentially providing other pathways to accessing capital for sustainable outcomes.

42. The Panel heard from Toha Foundry Limited, a Tairāwhiti-based organisation creating an incentive system for climate and nature work.<sup>11</sup> Their research and development efforts have been focused on finding a new system-level solution to get scale finance to the frontline and create incentives for climate action. The East Coast Exchange (ECX), launched by Toha to enable such efforts, provides a mechanism for funding to be distributed directly from investors to these frontline activities, furnishing resources for the activities and aspirations of communities.
43. The ECX can be a valuable new platform to help meet the needs of Maori landowners in this region. We consider that the harmonious complementarity of biodiversity and commercial activities, the ownership and stewardship by indigenous people in and of their ancestral lands, and the high value bespoke environmental practices will appeal to potential biodiversity investors that the ECX is focused on attracting. The Government's funding/investment into Maori land could then be leveraged to deliver the level and sustainability of development funding Maori land. The convergence of interests here, and at this time, is a true opportunity, not to be missed by the Government.
44. The land tenure system implemented through the now-defunct Native Land Act 1865 converted what was customary title of whenua Maori land into individual title, with multiple owners. This system has since perpetuated the unresolved issues of ungoverned lands, and inadequate management of whenua Maori. The passing of [Te Ture Whenua Maori Act 1993](#) represented a major milestone in relation to Maori land tenure. The Act's recognition of whenua Maori as a taonga tuku iho provided the driving force behind the Act's two primary principles: land retention and land utilisation. Still, questions have been raised about the way regulation and practice under the legislation have facilitated, contributed to or hindered land use.<sup>12</sup>
45. The Maori Land Court administers Te Ture Whenua Maori Act by providing advisory services to Maori landowners, ensuring their decisions are signed off by the Court so they can occupy, develop, and use their land. Since the dissolution of the Department of Maori Affairs in 1989, and the shift of the Maori Land Court to the Ministry of Justice (and its predecessors), the Maori Land Court has been severely underfunded and understaffed. This has resulted in the advisory service being unable to fulfil their role of processing the required applications and successions in a timely fashion. To truly realise the aspirations of Maori landowners to make decisions in a climate-changing world, the Government must adequately resource the Maori Land Court.

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<sup>11</sup> Toha Foundry Limited submission to Ministerial Land Use Inquiry.

<sup>12</sup> Te Puni Kokiri. 2011. [Ko Nga Tumanako o Nga Tangata Whai Whenua Maori | Owners' Aspirations Regarding the Utilisation of Maori Land](#). Retrieved May 2023.

## Recommendations

Our recommendations on whenua Maori are as follows.

We invite Ministers to:

- R31. Agree to provide capital for a proof-of-concept co-investment arrangement in the next 12 months.
- R32. Agree to partner in this proof of concept with the East Coast Exchange to find co-investment funding to leverage the Government's capital funding.
- R33. Agree to partner with whenua Maori landowners in Tairāwhiti and Wairoa in this proof of concept for a suite of investment-ready development projects, with co-investment sought through the East Coast Exchange, to transition to a mosaic of high value land use and biodiversity.
- R34. Agree to provide urgent resourcing to the Maori Land Court to enable the Court to deliver their full purpose to provide service to owners of Maori land as set out in Te Ture Whenua Maori Act 1993, and prioritising the processing of governance applications so that all land blocks can be properly governed.



# Economic incentives and constraints

## Findings

46. The Panel found that the transition to a diverse mosaic of high-value land uses would be enabled by infrastructure and investment, especially for whenua Maori. We urgently need to create a biodiversity market to operate symbiotically with the ETS. Such action would also have the desirable effect of encouraging the retirement of exhausted land. The ETS in its current form has created perverse land use outcomes and elements need to be reviewed. Initial investment by the Government is critical, in achieving more sustainable land use and employment, including taking a stake in proof of concept with the East Coast Exchange, creating a whenua Maori capital fund and helping establish infrastructure and processing facilities that can increase the efficiency of local industry.

## Land-use patterns

47. Current land-use patterns are the result of both market and government incentives over the past 150 years. The region has experienced export-driven boom and bust. The closure of local processing facilities and the increase in transport and other costs mean pastoral farming and forestry in the region can at times be more economically marginal than in other parts of Aotearoa New Zealand. Subsidised pine forests have led to the damage communities have experienced. However, when those forests are clear-felled on highly erosion-prone land, the erosion control benefits are lost. More recently, the ETS and the rise in carbon prices have also incentivised afforestation. (The ETS is discussed further in the [Financial instruments and the Emissions Trading Scheme](#) section.)

## Strengthening biodiversity in land-use change

48. The future landscape of Tairāwhiti and Wairoa must be a mosaic pattern of land use. Biodiversity and its life-supporting systems must complement and support diverse land uses, appropriate to the soils and catchment. Any production on erodible hill country must be sustainable forestry and pasture practice, and extremely erodible land and gullies must be retired from production. This can only be achieved through the right combination of planning controls, infrastructure, investment and economic incentives, which will require:
- a new and complementary market for biodiversity credits
  - strategies for co-investment for environmental and economic resilience, such as leveraging government investment in the [Wood Processing Growth Fund](#) (WPGF), with co-investment by private sector businesses to create added-value uses for timber (such as processing logs and biomass locally and providing more continuity of harvesting)

- investment in infrastructure (see the [Infrastructure](#) section)
- development of spatial plans and planning instruments that support the best land use on the appropriate land type (see the [Leadership and governance](#) section).

49. To incentivise permanent indigenous forests, Aotearoa New Zealand must develop and implement a biodiversity credit scheme,<sup>13</sup> which would complement and counterbalance existing carbon markets.<sup>14</sup> Such a scheme could direct private and philanthropic capital into positive biodiversity outcomes. The region has a strong basis to pilot such a scheme here due to the presence of Toha Foundry Ltd, which has worked on building market education across a range of sectors in the region. Establishing a biodiversity credit scheme in the region will also promote the critical role of tangata whenua as kaitiaki for their environment, and testing and establishing methods of measuring standards can be based on region-specific ecosystems.

## Financial instruments and the Emissions Trading Scheme

50. The ETS is the major government economic instrument influencing forestry and land use in the region (and throughout Aotearoa New Zealand). The ETS forestry provisions as currently designed are focused on carbon sequestration and shorter time horizons and cannot deliver the biodiversity or longer-term land-use outcomes the community desires.
51. Although the ETS has created benefits in terms of supplementary income for production forests, it has also incentivised monoculture radiata pine forests and encouraged planting of trees in the wrong place (such as permanent carbon forest being planted on productive land).
52. An additional challenge is that whenua Maori is largely either in pre-1990 permanent forest (that is, not sequestering carbon) or it is reverting bush, which is ineligible for ETS under the current rules. We do not agree with the argument for excluding reverting bush from the ETS, given the lack of other land-use opportunities (especially when land is also landlocked). Even when eligible, the cost of entry and administration often outweighs the benefits for Maori landowners. Further, there is opportunity to better align government grant schemes with the ETS, to reduce capital barriers for Maori landowners. Access to capital can also be improved through issuing green bonds or facilitating easier access to philanthropic investment.
53. To make better decisions around land use that can benefit future generations and help heal the land, we need to better integrate how the ETS incentivises different types of forests, and how other tools (such as grants, plans and regulations, and complementary incentives) can support desirable land-use change.

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<sup>13</sup> A biodiversity credit is tradeable unit which represents standardised improvement to biodiversity.

<sup>14</sup> See Toha and David Hall, Submissions to Ministerial Inquiry into Land Use in Tairāwhiti and Wairoa.

54. As part of the current review of the ETS, considerations need to include:

- ensuring the RMA planning system (and the incoming Spatial Planning Act and Natural and Built Environments Act (NBA)) and ETS are better integrated, such as by excluding non-compliant forests from ETS registration or by the loss of credits gained<sup>15</sup>
- incentivising indigenous and slower-growing exotics (such as through front-loading the earning of credits – effectively a loan, and not a fake credit)
- reviewing ETS look-up tables to better reflect the sequestration of carbon in indigenous forests
- extending the option for averaging to forests planted and registered in the ETS, which will provide more simplicity and security for forest owners
- including in the ETS pre-1990 natural forest that is still transitioning to permanent indigenous forests so that carbon sequestered post-1990 can gain credits.

## Recommendations

Our recommendations on economic incentives and financial constraints are as follows.

We invite Ministers to:

- R35. Direct the establishment of a world-leading biodiversity credit scheme to incentivise permanent indigenous forests, and the scheme should be piloted in the region.
- R36. Expand the current review of the Emissions Trading Scheme to include consideration of the matters in Paragraph 54.
- R37. Prioritise the implementation of the [Forestry and Wood Processing Industry Transformation Plan](#) in Tairāwhiti and Wairoa by:
- R37.1. prioritising funding for Tairāwhiti and Wairoa from the recently announced [Wood Processing Growth Fund](#).
  - R37.2. identifying local opportunities for large-scale processing, biomass and cogeneration.
- R38. Promote strategies for co-investment in environmental and economic resilience to support landowners (especially Māori) toward sustainable land-use outcomes (eg, through the issuing of green bonds).

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<sup>15</sup> Such as by using the enforcement processes in the Resource Management Act.

# People and transition

## Findings

55. The Panel found that the current and former land use in the region has put food on the tables of many Tairāwhiti and Wairoa whānau across multiple generations. However, the mismatch of land use with land type has had dire impacts on local communities. Changes to land use will bring changes to the economy, employment and investment opportunities, and will even change the places where people live. Such change will come with costs and opportunities. To maximise opportunities and ensure costs do not fall disproportionately on local people, short-term thinking must be abandoned. Future employment opportunities will need to be developed that lift the skillset of the community, reflecting their values and visions for the future. There must be support for the local workforce to transition to the new economy, and tangata whenua must have viable options for staying on their whenua.

## Recovery

56. The impact that has been inflicted upon the Tairāwhiti and Wairoa regions is profound. Economic, social and cultural recovery will take years. At the whānau and community level, people shared highly personal stories about the heavy physical and emotional toll of the recent and cumulative severe weather events. People reported increased anxiety and depression, fear and paranoia, and feeling overwhelmed, stressed and abandoned.<sup>16</sup> Across all our engagements, we got the strong sense that people and communities are exhausted, frustrated, and that they have reached the end of their capacity.
57. Experience from comparable disasters, which also had the imminent threat of repeat events, shows the severe effects on people's mental health and wellbeing. Most of the recovery-related recommendations in this report could be characterised as having a physical or systemic focus (such as infrastructure remediation, clean-up and immediate funding). However, in our drive to transform the region, the very personal social, emotional, mental and physical health needs of affected people should not be forgotten.
58. Although some may consider personal wellbeing interventions outside the scope of this Inquiry, we cannot overstate the importance of healthy and secure people to the success of the proposed transformational change. We have therefore made recommendations to ensure that regional recovery responses provide for the wider personal wellbeing needs of all affected people.

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<sup>16</sup> Allen + Clarke Summary of Submissions report, p.22.



## A Just Transition

59. A Just Transition for Tairāwhiti and Wairoa is about how we equitably adapt to climate change, but it is also about how we equitably transition to our broader aspirational state. With changes to land use will come changes to the working and living situations of people in the region, and these changes will present both costs and opportunities. Decisions made in response to this Inquiry, and as part of the broader recovery effort, will likely impact unevenly across demographics, income levels and business sectors.
60. Businesses, especially those in forestry, have made investments based on a permissive regulatory environment. Change may come with significant costs to these businesses and importantly to those they employ. More broadly, achieving the vision of the future for the regions will also incur the costs of change – for forestry and for other industries.
61. We are acutely aware of the potential for people to lose their jobs, the value of their current investments and, with those, their sense of security. However, the changes and recovery efforts we are proposing also present massive opportunities to build an economy that delivers abundance in all its forms to the people of Tairāwhiti and Wairoa. We cannot let the fear of the cost dissuade us from achieving our vision.
62. With coordinated strategy and support, and with forward-thinking leadership, we can ensure that opportunities are maximised, and costs do not fall disproportionately on local people. Importantly, we have the opportunity to ensure that equity for Māori land development can be achieved, and that whenua Māori will not be left behind again as the economy rolls on.
63. A critical part of the transition will be engaging in research and development, and subsequently investment, into alternative industry growth and land use that will support the vision for the communities. Specific investment in workforce development and transition is also needed, to ensure that local people – especially those employed in industries that will require transformation or transition – stand to benefit from transition opportunities rather than shouldering the burden of transition costs.
64. The people of Tairāwhiti, especially tangata whenua, are committed to living here. Sustainable employment and investment opportunities must be available ‘close to home’, to ensure tangata whenua have a viable choice to stay on their whenua.
65. Throughout this Inquiry, many organisations and individuals from across the whole community have put forward ideas for changing and transforming the regional economy. A Just Transition will require a coordinated approach from the whole community: businesses, including Māori and iwi businesses; workers; education institutions; local government; and community members.
66. The Government already has a Just Transition programme in place, led by the Ministry of Business Innovation and Employment, and we would like to see resources and support from that programme directed to Tairāwhiti and potentially also Wairoa. Enduring and sustained government support is required to create the appropriate strategic policy and investment conditions for a successful transition process.

## Recommendations

Our recommendations on people and transition are as follows.

We invite Ministers to:

R39. Approve a Just Transition process for Tairāwhiti, incorporating the following areas of focus:

- R39.1. engaging in research and development to support alternative industry growth and land uses
- R39.2. ensuring investment is directed toward new industries that will support the vision for the region
- R39.3. ensuring the existing local workforce is well equipped and well supported to transition to new industries
- R39.4. ensuring existing industries that are capable of supporting the vision for the region are well equipped and well supported to make the necessary changes to their practices and investment
- R39.5. ensuring equitable opportunities for focused development of whenua Māori
- R39.6. ensuring that sustainable employment opportunities are available 'close to home' for East Coast residents
- R39.7. ensuring that existing communities can survive and thrive.

R40. In consultation with the Hawke's Bay Regional Council and Wairoa District Council, consider whether a Just Transition process may be required for Wairoa, in their circumstances.

R41. Support regional recovery efforts, and ensure funding is available for:

- R41.1. social, emotional and mental health support for all affected people
- R41.2. better access to 'in-community' primary healthcare on the East Coast
- R41.3. process navigation support (such as for insurance claims).

# Leadership and governance

## Findings

67. The Panel found that the small size and capability, slim rating base and isolation of both the Gisborne and Wairoa District Councils make it impossible for them to deliver on their full purpose. In these circumstances, trade-offs are inevitable. Wise judgement and strong, inclusive leadership are critical. Unfortunately, the GDC has made several significant poor choices that have put people and the environment at severe risk, as well as failing to meet core business requirements. Climate change has increased the complexity of stewardship of the environment and the wellbeing of people, demanding exceptional capability to meet future stewardship challenges. Regional leadership and governance require a collaboration between local government and mana whenua – as envisaged by legislative reform – which must be established forthwith.

## Leadership failure

68. The purpose of local government<sup>17</sup> is two-fold:
- to enable democratic local decision-making and action by, and on behalf of, communities
  - to promote the social, economic, environmental and cultural wellbeing of communities in the present and for the future.

These are necessary, yet extensive and expensive, expectations to meet.

69. The WDC is concerned that Wairoa is out of sight, and out of mind for HBRC, which is responsible for all resource management issues for the district. We heard from Wairoa that they have felt overlooked and relegated to the lowest priority. Although they recognise the devastating impact of Cyclone Gabrielle on parts of the wider southern Hawke's Bay region, they nevertheless have experienced their own impact and losses, and wonder when they will get the attention they deserve.
70. We recognise and agree that the scale of impact in Wairoa, while still substantial, is less systemic than what has occurred in Tairāwhiti. We are confident that the HBRC has been undertaking its responsibilities as a regional authority effectively and making regular changes to its planning documents to reflect national direction and regional issues. We do think there is an opportunity for HBRC to work more closely with WDC to introduce more integrated land use and freshwater management policy in the Wairoa Catchment. This policy would operate in a similar way as we have recommended for Tairāwhiti, with the necessary modifications to reflect the different geology, the smaller area of land with extreme or very high erosion susceptibility, and the less

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<sup>17</sup> The purpose of local government is set out in section 10 of the Local Government Act 2002.

severe impact observed. We have confidence that HBRC is well placed and resourced to undertake this work.

71. The GDC is a unitary authority and responsible for its own resource management. The TRMP is the single planning document that represents all of the GDC's resource management plans. It includes the District Plan, Regional Policy Statement, the Regional Coastal Plan, and the freshwater plan, as well as the rules applying to erosion-prone land, sediment and forestry.
72. Aside from the freshwater provisions, and a small number of rules, the balance of the TRMP provisions (including the Regional Policy Statement) have been in place more than 10 years, and in some cases more than 20 years, which represents a failure of the GDC's core planning requirements, and legal responsibilities. This includes the failure to recognise that the geomorphology of the district leaves catchments vulnerable to deforestation and that poor practices related to pastoral farming and plantation forestry is not new. The degradation of the region's rivers by extremely high sediment loads has been apparent for at least 20 years. The resulting sediment and debris contamination of the districts coastal environments is now common. This all a reflection of the failure by GDC to provide its communities with planning instruments that are fit for purpose. This dereliction of duty is visible in the state of the land, water, beaches and infrastructure.
73. Throughout our engagement programme, we heard repeated examples of the GDC's failure to "promote the social, economic, environmental and cultural wellbeing of communities in the present and for the future". Despite its coastal location, the GDC appears to have done nothing to implement the 2010 New Zealand Coastal Policy Statement.
74. The GDC has also unilaterally determined not to collaborate with mana whenua – deciding instead to establish separate networks and conduct its communication through local media. This is neither Treaty-based partnership, nor recognition that over half the district's population is Maori, most of whom are tangata whenua to one or more of the local iwi. This gratuitous use of its power as a territorial local authority flies in the face of its responsibility to "enable democratic local decision-making and action by, and on behalf of, communities".
75. The urgency of the challenges for Tairāwhiti, their people and communities, their infrastructure, land use, forestry and emergency weather events support the need to transition to strategic leadership to enable the region to firstly recover, then to thrive.
76. The Gisborne District Council did highlight that planning is especially challenging in the absence of effective national direction. However, on the NES-PF, Tairāwhiti submitters argued that its implementation had not been done thoroughly in the region and highlighted the lack of monitoring and enforcement, and poor resource consent processes. People are especially concerned about the future that will be created for their children and mokopuna without more effective and future leadership and planning. This appears to be an issue at both the iwi authority and community level, with both Iwi and Maori communities calling attention to the lack of engagement and partnership when decisions are made that affect them.



77. The forestry industry has also raised concerns, through the Eastland Wood Council submission, that their relationship with the GDC “does not allow open discussion around the challenges and solutions”<sup>18</sup>. Specifically, clause 6 of the NES-PF provides for rules to be made which are more stringent than the NES-PF in several circumstances including:

- to give effect to aspects of the NPS-FM and the New Zealand Coastal Policy Statement
- to recognise and provide for the protection of outstanding natural features and landscapes and significant natural areas.
- the management of unique and sensitive environments.

78. While GDC has identified [plan rules](#) which still apply to forestry despite being more stringent than the NES-PF, the TRMP has not been reviewed in more than 10 years and certainly not since the NES-PF became operative. This misses the opportunity to more comprehensively review plan provisions to ensure they are fit for purpose for forestry.

## Recommendations

Our recommendations on leadership and governance are as follows:

We invite Ministers to:

R42. Submit an Order in Council made pursuant to [s 7](#) of the Severe Weather Emergency Recovery Legislation Act 2023), modifying [s 25](#) of the Resource Management Act 1991 in respect of the Gisborne District Council.

R42.1. The modification, disapplying the procedural requirements in [s25\(2\)](#) of the RMA, should allow the Minister to urgently appoint one or more persons under [s25 \(1\)](#) as an RMA Commissioner to exercise the RMA functions, powers and duties of the Gisborne District Council until:

R42.1.1. 31 March 2028, or

R42.1.2. such time as the Regional Planning Committees under the new resource management regime have developed and made operative new Regional Spatial Strategies and Natural and Built Environment Plans

R42.1.3. resourcing to be supported by central government and the Gisborne District Council.

R43. Prioritise the establishment of the Tairāwhiti regional planning committee in Tranche 1 under the new Spatial Planning Act legislation. In developing the Regional Spatial Strategy, the regional planning committee should set out the mosaic of land uses on the basis of best land use and appropriate infrastructure investment.

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<sup>18</sup> Submission of the Eastland Wood Council.

- R44. Appoint a Crown facilitator with in-depth local Tairāwhiti knowledge to support the Resource Management Act Commissioner in the speedy transition of Tairāwhiti Post-settlement Governance Entity Treaty settlements into the Tranche 1 programme.
- R45. Appoint a commissioner for delivery and establish a delivery and governance model to oversee all of the government resourcing related to this Inquiry (and potentially the wider recovery) based in Tairāwhiti. The delivery entity needs to ensure accountability for the government spend and alignment with the vision and planning framework (ie, Regional Spatial Strategy, Regional Plan and Resilience Plan), and prioritise and coordinate delivery. Ministers should consider establishing this through an Order in Council under the Severe Weather Emergency Recovery Legislation Act, and whether it includes appropriate fast-tracking of central government powers and cost sharing arrangements. The regional planning committee, or similar model, should be considered as a suitable governance arrangement.
- R46. Ensure ongoing accountability to the public by putting in place a monitoring regime that reports on progress implementing all actions and programmes established following this Inquiry, and on whether it is adequately addressing the problems identified. It should report 12 months, 24 months, and 2 yearly after that.

# Alignment of vision

## Findings

79. The Panel found that the community is demanding a new paradigm for their regions. The storm has galvanised people into an expectation for urgent change. Their vision for the region is of flourishing biodiversity; healthy catchments, waterways, and coastlines; and resilient infrastructure and diversified economy – so that they, too, can flourish and thrive. This vision is perfectly aligned to government policy decisions at home and abroad. We are at a pivotal time in which we must take real action and live up to our commitments. Right now, the Tairāwhiti environment is on the verge of collapse, yet can become a living laboratory, providing evidence and lessons for adapting to a climate-changing world. We must act.

## The vision

80. After weeks of extensive engagement, we have heard the fear, anger and doubt of the communities of Tairāwhiti and Wairoa. We have also heard their hopes, aspirations and visions for a future where their mokopuna are safe, thriving and enjoying their unique inheritance as people of these lands.
81. By 2123, in Tairāwhiti, and Wairoa, we will see:
- lands healed, cloaked with the right trees in the right places, and filled with the sounds of restored birdsong
  - carbon being captured on a long-term basis through the right mix of indigenous and exotic forest, to the point the region is known as ‘the lungs of the Pacific’
  - pristine catchments where water flow is integrated through revitalised ecosystems, toward thriving coastlines
  - the local economy thriving in harmony with the regenerating and flourishing environment
  - whenua Māori at the forefront of high-value productive land uses that provide environmental, social and cultural co-benefits
  - innovative commercial developments creating lucrative returns for local businesses and people
  - fruitful opportunities and lifestyles for local people that give them the real option of remaining on their own lands

- resilient infrastructure that is designed to meet the values and needs of the people
- exceptional governance, leadership and decision-making that reflects a reframed relationship with the land, informed by the aspirations of the people, by tikanga and by science.

## Alignment between the vision and government policy decisions

82. This vision is perfectly aligned to government policy decisions announced at home and abroad. In the Prime Minister’s pre-Budget speech on April 27, he stated that his “priority this Budget will be driving a focus on skills, science and infrastructure investment to grow our economy and make it more secure”.<sup>19</sup> The major infrastructure and transition investments recommended in this report can not only achieve economic advancement in Tairāwhiti and Wairoa, but they will also be an exceptional example of how any region can make a major economic shift, with the right investment.
83. Aotearoa New Zealand is committed to being carbon neutral by 2050. At the COP27 Climate Conference, the Minister of Climate Change stated, “Aotearoa New Zealand is committed to bold, enduring action in the fight against climate change. Because in our region – the blue Pacific – climate change is an existential challenge.”<sup>20</sup> This is critically true in these regions. Low-carbon compatible actions, such as permanent planting to heal the gullies and lowering economic reliance on transport.
84. The [national adaptation plan](#) includes objectives directed at enabling communities to adapt, and at supporting vulnerable people and communities, and disrupted or displaced communities. The Deputy Prime Minister and the Minister of Climate Change have also made strong commitments to support Pacific nations that “want their people to live in their countries for as long as possible, and to retain their social and cultural identity”.<sup>21</sup> This imperative is just as strong in Tairāwhiti and Wairoa. Recent events have shown that Tairāwhiti and Wairoa need more and urgent support to adapt to climate change in a way that does not rob them of their way of life and cultural inheritance.
85. The goals of Aotearoa New Zealand’s biodiversity strategy, as articulated by the Minister of Conservation at COP15, are that “ecosystems and indigenous species thrive, people are enriched through their connection with nature, prosperity and a thriving biodiversity are linked, and Maori are exercising their role as rangatira and kaitiaki”.<sup>22</sup> These goals align with the vision developed

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<sup>19</sup> Rt Hon Chris Hipkins. 27 April 2023. [Pre-Budget speech, Auckland – 27 April](#). Retrieved May 2023.

<sup>20</sup> Hon James Shaw. 16 November 2022. [New Zealand National Statement – COP27](#). Retrieved May 2023.

<sup>21</sup> Hon Carmel Sepuloni and Hon James Shaw. 17 April 2023. [Government builds on climate change focus in Pacific](#). Retrieved May 2023.

<sup>22</sup> Hon Kiritapu Allan. 20 April 2022. [Taking action on biodiversity challenges](#). Retrieved May 2023.

through this Inquiry, and with our recommendations on incentivising native planting and developing a biodiversity market.

86. We know protecting and restoring freshwater is a key focus of the Government. The Ministry for the Environment and Stat NZ's April 2023 report, [Our freshwater 2023](#), shows in stark relief the degraded state of our waterways. Implementing the recommendations in this report will include restoring gullies, incentivising native tree cover, expanding Jobs for Nature programmes and making water infrastructure more resilient. These actions will not only make a significant contribution to improving water quality in Tairāwhiti and Wairoa but will also provide important lessons that could be applied more broadly.

## Giving life to the vision

87. A vision is not useful unless it is accompanied by action. The recommendations we offer are intended to ensure concrete, long-term commitment to Tairāwhiti and Wairoa.
88. We recommend a broadly applicable statutory vision for Tairāwhiti. In the case of Wairoa, we expect the Hawke's Bay Regional Spatial Strategy (RSS) development process will be the key tool for setting a vision and drawing support and investment. To support Wairoa in that process, we suggest considering whether a statutory weighting for the vision articulated in this report should be applied in the Hawke's Bay RSS process.
89. Although legislation would provide for a vision and accord it a legal status, the vision itself would sit outside the legislation, to ensure it could be reviewed and updated in the future. The statutory vision needs to be in place as soon as possible, to strategically guide the scale of action required. Therefore, as a first iteration, we suggest a simple statutory vision could be drafted on the vision this Panel has set out. Once the regional leadership collaboration model is established, we expect future, and potentially more detailed, iterations of the vision (similar to [Te Ture Whaimana](#) – the Waikato River Vision and Strategy) could be driven by regional leaders with intensive community engagement.
90. The development of an investment model will ensure that the vision is resourced and that investment is coordinated and strategic. Specific applications of the investment model are covered in the relevant sections of this report.

## Recommendations

Our recommendations on alignment of vision are as follows.

We invite Ministers to:

- R47. Submit an Order in Council to the Severe Weather Emergency Response legislation to provide for a statutory vision for Tairāwhiti. The Order will have legal weighting in government and regional policy, including the development and review of legislation, national direction, government strategies, and regional planning documents.



- R48. Consider whether the first iteration of the statutory vision for Tairāwhiti, as it could be applied to Wairoa, should have legal status in relation to the Hawke's Bay Regional Spatial Strategy process.
- R49. Submit an Order in Council to the Severe Weather Emergency Response legislation to provide for a long-term, multi-sectoral, regional co-investment model for Tairāwhiti, to achieve the statutory vision.

# Appendices

The appendices will be published at [www.environment.govt.nz/MILU](http://www.environment.govt.nz/MILU) from Friday 19 May onwards.

Appendix 1 – Expansion and evidence

Appendix 2 – Background

Appendix 3 – Terms of Reference

Appendix 4 – Summary of submissions

Appendix 5 – Engagement file notes

## Glossary

In this document, the following terms have these meanings.

Biodiversity	A term meaning biological diversity – that is, the variety and diversity of all life on land, in freshwater and the sea (including ecosystems and the genes they contain).
Catchment	An area of land, bounded by natural features such as ridgelines or mountains, that drains into streams, rivers and wetlands, and ultimately to the sea.
Coupe	A small area of harvested forest (such as a sub-stand, or sub-compartment in a forestry setting).
Mosaic	A pattern where land use varies across the landscape and is matched to the natural characteristics of the land.

In this document, the following acronyms and abbreviations have these meanings.

ECX	East Coast Exchange – an initiative by Toha Foundry Limited to provide a mechanism for funding distribution.
EIT	Eastern Institute of Technology.
ESC	Erosion Susceptibility Classification – a tool developed by the Ministry for Primary Industries as part of the National Environmental Standards for Plantation Forestry to help forest owners determine erosion risk on forested land.
ETS	New Zealand Emissions Trading Scheme.
FSC	Forest Stewardship Council – an independent, non-governmental, not-for-profit organisation established to promote the responsible management of the world’s forests.
FW-FP	Freshwater farm plan.
GDC	Gisborne District Council
GPS	Government Policy Statement on Land Transport
HBRC	Hawke’s Bay Regional Council
MfE	Ministry for the Environment
MPI	Ministry for Primary Industries
MBIE	Ministry of Business, Innovation and Employment
NBA	The proposed Natural and Built Environments Act, which is proposed as one of three Acts to replace the Resource Management Act (see SPA) – the Natural and Built Environments Bill has been introduced and is before select committee.
NBE Bill	Natural and Built Environments Bill.
NES-PF	National Environmental Standards for Plantation Forestry.
NLTP	National Land Transport Programme.
NPF	The proposed National Planning Framework, intended to provide strategic and regulatory direction from central government on implementing the resource management system.
NPS-FM	National Policy Statement for Freshwater Management.
NZCPS	New Zealand Coastal Policy Statement.
NZTA	Waka Kotahi NZ Transport Agency.

OIO	Overseas Investment Office.
PSGE	Post-settlement governance entities, which are iwi entities that hold the Treaty settlement relationship with the Crown.
RMA	Resource Management Act 1991.
RPC	Regional planning committee – a regional governance entity proposed under the Spatial Planning Bill, made up of iwi, local government and central government representatives.
RSS	Regional Spatial Strategy, proposed under the Strategic Planning Act.
SPA	The Strategic Planning Act, which is proposed as one of three Acts to replace the Resource Management Act (See NBA). The Spatial Planning Bill has been introduced and is before select committee.
SWERLA	Severe Weather Emergency Response Legislation Act 2023 – a Bill before Parliament at the time of writing.
TPK	Te Puni Kokiri.
TRMP	Tairāwhiti Resource Management Plan.
WDC	Wairoa District Council.
WPGF	Wood Processing Growth Fund.