Climate Justice Taranaki submission on Managing exotic afforestation incentives – a discussion document on proposals to change forestry settings in the New Zealand Emissions Trading Scheme (MPI 2022/02)[1]

Climate Justice Taranaki Inc. (CJT) is a community group dedicated to environmental sustainability and social justice. This includes issues of inter-generational equity, notably in relation to climate change, which will impact future generations' inalienable rights to safe water, food and shelter, crucial to sustaining livelihoods and quality of life.

In respect to the current consultation, CJT fully supports the proposal to exclude exotic forests from the permanent post-1989 category in the New Zealand Emissions Trading Scheme (NZ ETS).

More generally, we also caution on relying too heavily on forestry offsets in our future carbon budgeting, given the rapidly escalating risks to forests (particularly exotic monocultures) from climate change, notably fire and drought. That is not to downplay the crucial role of increasing native forest cover for biodiversity, water quality and cultural values.

Issue 1: Land use change

1.1 We agree with the analysis that with the increasing carbon price, the inclusion of exotic forests in the permanent post-1989 category in the ETS would drive land use change and displace productive land uses, notably food production. In addition, it would also present loss of land for rewilding, biodiversity restoration and cultural values.

1.2 It is true that there would be "*less export earnings and fewer jobs to the economy*" from industries like sheep and beef farming and production forestry as the document (p.13) pointed out. But our view is that with climate disruptions gathering pace and increasing fuel costs and uncertainty in supply chains, Aotearoa NZ needs to wean itself off its reliance on export and economic growth. It would be smarter and more responsible to focus on building a thriving domestic economy and food sovereignty[2] that support healthy, resilient communities, while also providing aid to worse-affected Pacific neighbours.

1.3 The establishment and maintenance of healthy, permanent, indigenous forests requires mātauranga as well as active management, hence jobs. Economist Jason Hickel[3] went on to propose the introduction of a 'public job guarantee' with a living wage whereby "*anyone who wants to can get a job doing meaningful, socially necessary work that contributes to the ecological transition…*" Such a public scheme would take away the fear of unemployment and further incentivise permanent indigenous forestry and other ecological restoration efforts.

1.4 The document rightly pointed out, "*Widespread indigenous afforestation still present risks for land use change*". But such land use change in the right places can be hugely beneficial, as healthy indigenous forests help to stabilize our climate, our soil, provide haven for biodiversity, and restore ecological and cultural functions of the land. Indigenous forests also hold carbon in the soil. We emphasize indigenous forest planting in 'the right places' where natural forests once stood[4]. It is important to protect natural vegetation, notably tussock grassland and wetlands, for their intrinsic, biodiversity, ecosystem and carbon sequestration values.

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[1] https://www.mpi.govt.nz/consultations/managing-exotic-afforestation-incentives

[2] https://www.tewakakaiora.co.nz/maori-food-sovereignty/

[3] https://ideas4development.org/en/growth-capitalism-crisis-ecology/?fbclid=IwAR32x6oVcLtk-L9TCCMHKj1M0t2cm8DrbFd3-bESsX6VS88ytSSZcV6jCwY

[4] https://climate-adapt.eea.europa.eu/metadata/adaptation-options/afforestation-and-reforestation-as-adaptation-opportunity#:~:text=Afforestation%20(i.e.%20converting%20long%2Dtime,on%20more%20recently%20deforested%20land%20

1.5 The increasing domination by overseas investors in forestry (including production forestry) driving land conversion is a major concern, however. In the last three years, 36,000 hectares of farmland across Aotearoa was reported to have been approved for sale by the Overseas Investment Office under the special forestry test[5, 6]. Of the 92 one-off consents granted under this test, 40 were for investors who planned to buy farmland and conversion to exotic production forestry.

1.6 As pointed out in the discussion document, such conversion of land use will affect Māori in particular, given that sheep and beef farming constitutes 37% of Māori assets and forestry constitutes 6%. Of the forestry land that Māori owns however, over 63% is considered marginal for typical production forestry, but better suited for permanent forestry. Clear rules and incentives for permanent indigenous forestry would benefit Māori economically and help to restore cultural connections with the whenua.

1.7 Maximum limits to the total area of land that may be registered under the permanent exotic forestry category in the ETS should be put in place. Vast expanse of monoculture of exotic plantation is particularly vulnerable to fire, drought and disease exacerbated by climate change, with the potential to cause irreversible ecological disasters. Large-scaled forestry also tends to concentrate ownership and profits.

1.8 A network of numerous, smaller permanent mixed plantation forests on farms and suitable locations could offer similar outcomes in carbon sequestration, and be better in terms of equity, benefits and resilience for farmers and rural communities. The mixed forests should have a large percentage of native species but may incorporate non-native tree crops[7] with fruit, nut, timber and coppicing firewood, to compensate for some of the financial loss from reduced pastures. The smaller forests would allow better protection and management.

Issue 2: It may make it harder to achieve our long-term climate change targets

2.1 The analyses presented in the document illustrates the fundamental flaws of a trading system for emissions. CJT has for a long time been calling for the dismantling of the ETS because we simply can't rely on the economic market to regulate polluting activities. It is too susceptible to rorting, as has been shown numerous times, both here and overseas.

2.2 CJT believes that while removing permanent exotic forestry from the ETS, a suite of legislative and financial measures should be put in place to facilitate the planting of permanent indigenous forests on farms, especially in erosion prone areas, and other suitable land. Research by the Tāne Tree Trust (2021)[8] has demonstrated that "*well-managed planted indigenous forest is better at sequestering carbon and faster growing than commonly considered*." Notably growth rates of species like totara, kauri, kahikatea, rimu, etc. "*increase steadily over the first 50 years achieving higher productivity as well as carbon sequestration with age*." The annual increment of sequestration (18.2 – 29.9 tCO2/ha/yr) of such forests at 50 years of age is comparable with that of radiata pine forest.

2.3 Rather than relying on the ETS, the government should invest directly in the setting up of native nurseries, training and wages for forestry personnel, from plant propagation to site preparation, fencing, planting, maintenance, control of pests and invasive weeds, selective harvesting and processing of forest produce, as well as research into native species carbon sequestration.

2.4 If the government is serious about tackling our country's largest emission, it would now seriously consider scientists' call[9] to pay dairy farmers out to stop growing cows and convert to low carbon,

[5] https://www.rnz.co.nz/news/country/460839/rules-helping-foreign-investors-turn-nz-farmland-into-forestry-reviewed
[6] https://www.rnz.co.nz/news/country/464428/overseas-investment-office-approves-austrian-aristocrat-s-farm-purchase-for-forestry-conversion
[7] https://treecrops.org.nz/
[8] https://www.tanestrees.org.nz/site/assets/files/1069/carbon_sequestration_by_native_forest_-_web.pdf
[9] https://www.stuff.co.nz/environment/climate-news/125962807/pay-farmers-12-billion-to-stop-dairying-ecologist-urges

regenerative industries, such as permanent indigenous or mix forestry. The Netherlands is doing just this, with its announcement of €25 billion to reduce livestock numbers aimed to tackle the appalling nitrogen pollution[10]. The quote from MP Tjeerd de Groot, "*We can't be the tiny country that feeds the world if we shit ourselves*" is as pertinent to Aotearoa as ever.

Issue 3: Widespread permanent exotic afforestation has environmental impacts

3.1 The environmental problems of permanent exotic pine forest listed in the document are well known, from wilding conifers to fire, disease, and slope destabilisation[11]. Contrary to common practice, radiata pine and other shallow-rooted exotic species should not be planted on erosion prone land. Notably, the IPCC AR6 WRII report[12] rated the large-scale planting of exotic monocultures as 'the worst practices and negative adaptation trade-offs' for temperate forests[13]. On the contrary, maintaining or restoring native species and structural diversity leading to more resilient systems was deemed 'best practices and adaptation benefits'.

Afforestation assessment criteria

4.1 We generally agree with the afforestation assessment criteria listed in the discussion document. We understand the criteria to be applicable for both indigenous and exotic afforestation.

4.2 However, the objective of "*providing substitutes for emissions intensive products and energy sources*" requires careful, in-depth consideration and analyses. We do not support large-scaled fuel wood plantation for clear cutting to supply energy-intensive industries.

4.3 In terms of economy and jobs, we strongly call for an end to exporting timber, especially raw logs, which is not smart economically. It deprives rural communities of skills and jobs. It is open to price hikes and timber shortages that hamper the local building industry and worsen our housing crises. Indeed, more sustainably managed, continuous cover forestry[14] is needed to meet our domestic demand for public housing, affordable homes and to reduce the use of cement, steel and other emission-intensive building materials.

4.4 We do not agree that afforestation should be limited to a level "*to avoid reducing NZU prices*". The government needs to come up with mechanisms to address that, perhaps direct payment to foresters rather than allowing NZU to flood the market?

4.5 Greater emphasis should be given to the criteria "*supports indigenous biodiversity*". At the UN Biodiversity Conference (COP-15 to the Convention on Biological Diversity), signatory nations including Aotearoa NZ are expected to adopt the proposed Post-2020 Global Biodiversity Framework[15, 16]. The framework "*recognizes that urgent policy action globally, regionally and nationally is required to transform economic, social and financial models so the trends that have exacerbated biodiversity loss will stabilize by 2030 and allow for the recovery of natural ecosystems, with net improvements by 2050*."

[10] https://www.theguardian.com/environment/2021/dec/15/netherlands-announces-25bn-plan-to-radically-reduce-livestock-numbers
[11] https://www.newsroom.co.nz/anne-salmond-nzs-climate-planting-asking-for-trouble
[12] https://www.unep.org/resources/report/climate-change-2022-impacts-adaptation-and-vulnerability-working-group-ii
[13] https://www.auckland.ac.nz/en/news/2022/03/01/ann-salmond-ipcc-report-condemns-forestry-use.html
[14] https://www.nzffa.org.nz/farm-forestry-model/resource-centre/tree-grower-articles/may-2009/continuous-cover-forestry/
[15] https://www.cbd.int/conferences/2021-2022
[16] https://www.unep.org/events/conference/un-biodiversity-conference-cop-15