

Submission to:

Climate Change Consultation Contribution
Ministry for the Environment,
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New Zealand's post-2020 climate change contribution under the United Nations Framework Convention on Climate Change

Contact details for this submission are:

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Introductory comments

1. Thank you for the opportunity to submit on New Zealand's post 202 climate change contribution.
2. If required the New Zealand Institute of Forestry wishes to be heard in support of its submission.

About the Submitter

3. The New Zealand Institute of Forestry (NZIF) was founded in 1927 and has 850 members who are the individual professionals in forestry in New Zealand. Its object is to advance the profession of forestry in New Zealand and to be an independent advocate for forestry.
4. NZIF is committed to serving the practice of forestry and the wider community through education, accountability and its code of ethics and performance standards. It fulfils a quality assurance role, setting the benchmark for professionalism and the quality of advice and practice by which members and others in the profession are measured.
5. NZIF members are concerned with the professional management of all forests, plantation and natural, conservation, protection and commercial. They can be found in forestry companies, consulting businesses, research institutes, educational facilities, government departments and providers of specialist services. The members' qualifications and areas of expertise reflect the diversity of disciplines involved in managing a modern forest resource from traditional forestry degrees through science, economics, law, micro- biology, hydrology, engineering and resource management. The NZIF operates the scheme that controls the registration and conduct of forestry professionals, including consultants who provide forestry advice to the public.

General Comments

6. The invitation to all stake holders was to make submissions in the form of responses to pre-prepared questions within the Discussion Document. Those in the forestry sector have been invited to comment on a more specific proposal related to the 'averaging' of NZ's obligations arising from the cyclical changes in emission versus absorption in NZ's commercial forestry.
7. NZIF members have contributed to the preparation of submissions of other forest sector organisations. NZIF endorses those submissions expressing concern and disappointment at the practical outcomes for forestry from NZ's past approach to climate change and related international commitments.
8. NZIF do not accept the premise made in the discussion document New Zealand agriculture should be exempt their full obligations. The argument a scientific solution

has not been found to the generation of ruminant methane is not an excuse for exemption from obligation for emissions reduction. Farmers have the same access to offsetting credits as other 'obligate' emitters. Imposing an obligation on farmers proportionate to their emissions will incentive adoption of emission reducing activity including off-set planting, herd size and farm effluent management.

9. NZIF are particularly concerned at commentary from officials and Ministers seeking input on the Discussion Document suggesting the outcomes of past policy decisions on forestry and other sectors of the economy were unforeseen and unexpected. The consequences of successive climate change policy decisions negatively affecting forestry and afforestation should have been anticipated by Ministers and the officials advising them. The result of those past decisions is international expectation New Zealand will reduce emissions at a time of reduced capacity to respond. The outcomes of some policy choices were identified in submissions and discussion associated with past 'consultation'. The failure to respond in the past to identifiable outcomes suggests better analysis and clear reporting of comments is required.
10. NZIF seek from the Government clarity and certainty, and does not believe this has been present over the past 10 years.
11. While the international negotiations are important, the setting of domestic policy is of great importance for the forest sector. NZIF urge Government to place an emphasis on working hard and fast on providing clarity around how its key tool for achieving the Intended Nationally Determined Contribution (INDC) – the Emissions Trading Scheme (ETS) – will operate.

Submission

12. NZIF submit to New Zealand's post 2020 climate change contribution as follows:
 - 12.1. Increased afforestation will deliver multiple benefits for New Zealand. The environmental benefits are well understood. Increased planting of forests will not only help New Zealand meet its 'intended contribution,' it will generate economic and environmental benefits which will mitigate the costs and impacts of climate change in the short term and into the future. It is globally recognized forests can contribute substantially to a reduction of net emissions.
 - 12.2. Forestry has a very long term horizon. Forestry and wood products carbon storage can not fix the lack of planting and deforestations of the last 10 years, but with the right signals the sector can grow an industry which can contribution to fixing more carbon and developing regional economies
 - 12.3. Significant direct and indirect subsidies in agriculture has maintained and enhanced the capital value of agricultural land. The alternative use of this land for GHG absorbing activities is unattractive where such an investment decision incurs the risk of retrospective expropriation of the land's opportunity value.

12.4. The exclusion of agriculture from the ETS, is illogical and counter-productive. The result has been to distort land use choices and patterns of use. It has resulted in investors seeking to maximise the capital value of grazing land for reasons including securing GHG emissions rights, the value of which will logically increase in response to increasingly stringent international restrictions on emission. Exclusion from the ETS is not the only subsidy distorting land use toward agriculture, others include:

- New Zealand Dairy Farming: Milking Our Environment for All Its Worth, by Kyleisha J. Foote, Michael K. Joy and Russell G. Death, published on line in Environmental Management in April this year details the extent to which other New Zealanders are being expected to cover the very significant environmental costs generated by agriculture, a view supported by the Morgan Foundation website and in a number of reports by the Parliamentary Commissioner for the Environment (both current and past)
- Government is providing very significant financial support for irrigation schemes in New Zealand. The main beneficiaries of such schemes will be in the agriculture sector;
- Public funding of improvements in the water quality in Lake Taupo and the Rotorua Lakes being of direct monetary benefits to existing farmers.
- Agriculture is regularly provided with adverse events assistance following drought and storm events, the value of which can be ascertained by the proxy of commensurate insurance generating the same value;
- Flooding, exacerbated by lack of woody vegetation on unstable hill country costs the country an estimated \$100+ million per annum;
- Public spend on agriculture in Vote Research Science and Technology including Green House Gas research

Conclusions

13. NZIF has highlighted the extent of subsidies paid to agriculture above as indirect evidence of the need for an integrated Rural Land Use policy. NZIF's concern is deforestation will continue while the sum total of returns (including value indirectly attributable to subsidies) favours agriculture. This effect will compound the negative sentiment currently influencing forestry investors created by past climate change interventions.

14. NZIF has no expertise from which to determine an optimal INDC value for New Zealand beyond the many expert published assessments stating damaging climate change can only be avoided by holding global CO₂ concentrations at or below the level

which will cause 2 degrees of warming. A reduction in net national emissions is therefore required but the extent of the reduction requires consideration of many more factors than forestry alone.

15. NZ's sustainable forestry and wood products sector is an obvious base from which NZ can develop a lower emissions economy. The shift will require a commitment to such an outcome including regulations imposing sufficient cost of emissions to incentives investment in low-emissions activity greater than the prevailing and lower cost of fossil fuel alternatives.
16. Afforestation requires an integrated approach to land use whereby the sum total of influences affecting land owners productive choices favours forestry. Past advocacy by NZIF for a forestry policy has been rejected on the basis of Government's preference for 'market-lead' solutions. We accept a 'pro-forest' policy may not be market lead to the extent it requires an overt choice in favour of a climate correcting activity. The alternative is a land use policy which integrates all the many and varied public interests in land resource management and imposes regulation which weights the regulatory influence on investors in favour of the preferred sustainable outcome. In simple terms, an integrated land use policy would reverse the current regulatory bias in favour of agriculture.

Yours sincerely



James Treadwell