

# Submission

## Managing exotic afforestation incentives: Proposals to change forestry settings in the NZ Emissions Trading Scheme

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### Introduction

1. Ashburton District Council (Council) welcomes the opportunity to submit feedback on the Ministry for Primary Industries' April 2022 consultation document '*Managing exotic afforestation incentives: Proposals to change forestry settings in the NZ Emissions Trading Scheme.*' This submission has been prepared by officers and approved by Council.
2. Located an hour's drive south of Christchurch, more than 35,400<sup>1</sup> residents live in our district. Approximately 50% of our residents live in the main town of Ashburton, with the rest of our residents living rurally or in smaller towns or villages across the district.
3. Ashburton District (the District) has experienced moderate and sustained population increase since the mid-1990s, increasing by 23% between 2006 and 2013 (a 3.3% increase per year). This growth, however, has now slowed, with an average growth of 1.3% per year since 2013.
4. The Council currently owns a variety of different plantation-sized parcels of land throughout the Ashburton District. In the past these plantations provided a commercial return resulting in a reserve fund which can sometimes be used to help off-set rates. A number of these plantations are on land which was used for gravel extraction, with the forestry providing a somewhat temporary use for these sites.

### General comments

5. Council supports the submission prepared by Local Government New Zealand (LGNZ). In addition to the LGNZ submission, we would like to highlight some areas of particular concern to our district.
6. Council does not oppose the objectives of the proposal, to increase indigenous forest plantings across the country, and to regulate the planting of permanent exotic forests in order to reduce potential impacts on the economy. It is acknowledged that afforestation is a key tool towards off-setting greenhouse gas emissions.

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<sup>1</sup> Statistics New Zealand Population Estimates 30 June 2020

7. Council notes that while afforestation is a tool that can be used to meet national climate change targets via carbon sequestration, it is only part of the answer to creating a more sustainable future. We cannot rely solely on off-setting emissions. Other mitigation tools to *reduce* greenhouse gas emissions are necessary.
8. Council recognises the cultural, spiritual and economic interests in forests to Mana Whenua.

### Responses to selected questions in the consultation document

#### *Q1. Do you agree with our description of the problem? Why/Why not?*

9. Council does not believe these issues should be a problem. New Zealand needs to establish large areas of forest to help meet its climate change targets. Sequestration of CO<sub>2</sub> by forests buys us time for our economy to transition away from fossil fuels. Permanent forests, if located in the right places, will not displace productive land. There are many hectares of marginal farmland in classes 7 and 8 that should be retired, and exotic forest could be planted on some of this land. It will have added advantages of preventing soil erosion and sedimentation of our waterways.

#### *Q3. Do you agree with our criteria for managing permanent exotic afforestation?*

10. The criteria for managing permanent forests seems to be sound.
11. The first criterion of providing sequestration is essential. Permanent forests unlike managed exotic forests will achieve more carbon capture with quantities of carbon exceeding 1000/tonne/ha over 50 years. This is much more than can be expected from new permanent indigenous forest.
12. No permanent forest will provide substitutes for emissions intensive products or fuel sources unless they are harvested beyond the term set out with the Crown. Exotic forests are obvious sources for construction material and also provide a possible fuel source for heat or liquid fuels.
13. The establishment of permanent exotic forests will provide jobs related to land preparation and tree crop establishment. This will provide work and employment for nurseries, earthmoving contractors, tree planting contractors, and tree release contractors. Other jobs associated with exotic forestry such as silvicultural work, harvesting and wood processing will not be included in the benefits accruing from the establishment of permanent exotic carbon forests.
14. Permanent forest will support indigenous biodiversity with native plant species expected to form the sub canopy. Native fauna such as Falcons, Kiwi and other endangered species can also be expected to move into these forests. The fencing of these forests to exclude stock will enhance the build-up of this indigenous flora and fauna.
15. As stated in point 9 of this submission, the planting of farmland susceptible to erosion will prevent land slips and soil entering waterways. These forests will provide other benefits including landscape enhancement, and can provide for recreation such as hunting, tramping, walking, biking and possibly other forest outputs such as fungi.
16. With iwi owning significant amounts of marginal land, permanent exotic forestry is an excellent way to make this land productive. Exotic forest has the advantage over native forest of being able to accumulate carbon quickly, and therefore results in higher earnings. Exotic forests are also significantly cheaper to establish.

17. The establishment of exotic forests in New Zealand is supported by a well-developed network of nurseries, contractors, and forestry professionals. With sufficient forward planning, large areas of land can be established in exotic forest quickly and successfully.

*Q.4 Should we provide exceptions for allowing exotic species to register in the permanent forest category under certain conditions?*

18. If a hybrid status quo option is not adopted and indigenous forest is adopted as preferred option for permanent forest, then there should be exceptions allowed.

*Q.5 Are there particular circumstances that you support introducing exceptions for? Why?*

19. Council believes that exceptions should be made to allow the establishment of permanent exotics in locations where the establishment of indigenous forest is overly difficult. There are locations especially on the East Coast of both islands where the establishment of indigenous forest is not practical or economically viable. These locations may however suit exotic forests.
20. We do not agree with only allowing certain species to be used which are considered longer lived, as all production exotic forest species are capable of being sustained as permanent forest for at least fifty years. There are many examples of radiata pine forests reaching ages exceeding 100 years. The use of forests as carbon sinks is viewed as quick way to lower net carbon emissions as technology advances and economies transform the way they are powered. This suggests that carbon sinks shouldn't be required beyond 2070.

*Q.5 continued - If we allow exceptions for exotic species under certain conditions, should we place additional conditions on the granting of this exception? What could these be?*

21. Council is concerned that if exemptions are not managed correctly, then productive land may be locked up in permanent forest. Large monocultures pose a risk from disease or insect attack, and if large areas of inaccessible forest were to burn it would be difficult and expensive to contain and put out. Wilding tree spread is also potential a problem, especially in locations where grazing is extensive.

*Q.6 Are there alternative ways we can recognise and encourage these forests, either within or outside the NZ ETS?*

22. We suggest that additional conditions for exemptions for exotic permanent plantings could be to exclude productive farming and forest lands and land that lends itself to indigenous forest revegetation.
23. Alternative ways to encourage these forests is to allow continuous canopy harvesting or production thinning and clear fell harvesting after 50 years or longer set rotation length without harvesting liabilities.
24. The utilisation of the tree crop for construction will at least lock up carbon for life of the building. We suggest that the recognition of the carbon locked up in structural and other timber used in construction should be pursued in international forums. Forest residues and log grades unsuitable for milling could also be used for biofuels, reducing the need to burn fossil fuels.

*Q.7. Of these options, what is your preferred approach? Why?*

25. Council supports option three. This is so that landowners are given more options if they wish to become involved in forestry and the ETS, but also recognises that there is merit in some form of regulation regarding where permanent exotic forests are established. Permanent forests should not be planted on productive land that is suited to intensive agriculture or production forestry such as land near ports and forestry processing facilities. Permanent exotic forest establishment also should not occur on land that is actively reverting to indigenous forest, such land will generally be located adjacent to existing stands of indigenous forest with nurse species such as Manuka present. Permanent exotic forest should also be

located to minimise any issues with wilding tree spread. Tree species choice will also be critical where there is a wilding tree spread risk.

*Q.8. Do you agree with our preferred approach (enactment on 1 January 2023)? Why/Why not?*

26. Council agrees that the permanent forest category should be confirmed sooner rather than later, to provide more certainty to those looking at investing in new planting of exotic forests for carbon sequestration.

*Q.9 Do you support exceptions by regulations (option 3A) or exceptions after a moratorium (option 3B)? Why?*

27. Council support exceptions by regulations (secondary legislation). This will provide certainty to future investors in forestry and allow permanent forests to be established as soon as possible, which is considered necessary with the IPCC recently saying that change must start now.

*Q.10 If we chose to introduce exceptions by regulations, what conditions or criteria should be placed on the Minister in choosing to pursue these?*

28. Council suggests that the regulations should provide clear guidance to the acceptable species in order for these exceptions to allow permanent exotic species. Where possible, we suggest that regulations should ensure permanent exotic forests are not established on high quality agricultural/horticultural or production forest land.

*Q.11 If we choose a moratorium (Option 3b) – how long should it be? Why?*

29. A moratorium should be as short as possible to allow exotic permanent forests to be established in the right place as soon as possible.

*Q.12 Do you think a different type of moratorium (whether it requires a decision to be ended/ continued) would have different impacts? Or do you prefer a different approach?*

30. If a moratorium was imposed then then we suggest the ending should be automatic, in order to provide certainty.

*Q.13 Currently the NZ ETS defines forests based on the predominant species in a hectare. However, forests change makeup over time. Do you think this definition of exotic and/or indigenous forests is appropriate for the permanent post-1989 category in the NZ ETS?*

31. In Council's opinion, permanent forests were not defined by being indigenous or exotic for post-1989 ETS forest. It is only relevant to consider the species of a forest when considering the volume of carbon that it will sequester. We believe that permanent forests can be either exotic or indigenous.

*Q.14 What level of exotic species in a forest would be acceptable for the forest to still be classified as an indigenous forest, and registered in the permanent post-1989 category in the NZ ETS?*

32. If the definition of the forest had to be changed because of its species, we think the change should only occur when the percentage of the canopy species trees was more than 50%.

*Q.15 If forest changes from indigenous to exotic while registered in the permanent category, do you think it should be removed from the category (Option 1), or be treated as indigenous (Option 2)? Why? Are there other options we haven't considered?*

33. If the definition changes to exotic we suggest that it should be treated as a permanent exotic forest. Whether the species changes or not, it is the intention regarding the management of the forest that should define it as permanent or not.


Q.16 If we choose to remove forests which have become predominantly exotic over time from the category, how do you think we should do this? Why?

34. We suggest removing the forests from the ETS immediately, in order to provide clarity.

### Concluding comments

35. Council supports the intentions of the proposals, yet has some concerns about impacts that may arise. The difficulty of establishing natives on the east coast of the South Island cannot be overstated, and the ability to plant long-lived species such as Douglas fir & Redwoods on marginal farm land should be encouraged.

Kā mihi



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