

Submission

On

The Environment (Disestablishment of Ministry for the Environment) Amendment Bill

Submission to:
Environment Committee, New Zealand Parliament
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Submitter Details: New Zealand Forest Owners Association

Forest Owners Association Incorporated (FOA) is the representative membership body for the commercial plantation forest growing industry. FOA members are responsible for the management of approximately 1.2 million hectares of New Zealand's 1.79 M ha of plantation forests and over 75% of the annual harvest¹.

In 2024, the forest growing sector was worth \$5.75 billion in export value, and it is anticipated that total export returns for forest products will reach \$7.33 billion by 2027². The sector has a 12% share of rural land use and a high proportion of Māori landowners (48%). The sector contributes 1.6% of New Zealand's GDP and employs approximately 42,000 people in wood production, processing, and the wider commercial sector. Commercial forests sequester approximately half of New Zealand's carbon dioxide emissions.

General comments

The FOA welcomes the opportunity to provide feedback on the Environment (Disestablishment of Ministry for the Environment) Amendment Bill (the Bill). The Bill provides for the consolidation of three ministries (Environment, Housing and Urban Development, Transport) and the local government functions of the Department of Internal Affairs into a new ministry with very broad and diverse functions. The new ministry will be the Ministry of Cities, Environment, Regions and Transport (MCERT).

The proposed merging of New Zealand's central environmental ministry is of critical importance to the forest industry. FOA values the work carried out by the Ministry for the Environment (MfE), the forestry sector works with the ministry on a range of environmental, biodiversity and climate change issues which are critical to the functioning of the sector.

Whilst we acknowledge that the consolidation of ministries will gain efficiencies and reduce the duplication of administrative functions, we emphasise it is important to ensure the continuation of the specialist functions that could be lost as a result of shifting priorities within the new MCERT. It is of critical importance to the forestry sector that MfE officials are empowered to function effectively.

Our concerns are expanded in further detail below. While discussions on MfE function form part of the MCERT proposal FOA would like to highlight additional matters relating to cross agency function. Our submission is set out under the following sections:

- The conflict of functions;
- The risk of the dilution of functions; and
- Discussion of cross agency collaboration.

¹ https://www.nzfoa.org.nz/images/FOA_Facts_and_Figures_2023-2024_-_Web_file.pdf

² Situation and Outlook for Primary Industries December 2025

Conflict of functions

FOA contests that the combination of ministries proposed for merging is an unusual choice with these ministries not having a logical functionality fit. Section 31 of the Bill sets out the functions of the existing MfE. The functions are focused on the provision of policy and advice for managing natural and physical resources. The ministry does not carry out activities/operations that affect natural and physical resources. The ministries for Housing and Urban Development and Transport do however carry out development and implementation functions that can affect the natural and physical resources of New Zealand. Accordingly, there is a risk of conflict of interest which has not been considered under the proposed Bill.

The potential for conflict appears to be dealt with by clause 12 of the Bill which amends section 32 of the Environment Act. The Secretary must have regard to certain environmental matters “*as far as is practicable*”. There is a risk is that environmental matters will always be secondary to development proposals.

Dilution of functions

The functions of the ministries to be merged into MCERT are demanding and complex. There is a risk that the much smaller MfE will be swallowed up by the physical development functions of the other merged ministries. There is also the risk that funding of the environmental functions will be lessened as dedicated funding gives way to integrated funding of policy and development functions of MCERT.

FOA has seen, over the years, examples of the dilution and defunding of specialised ministries when there are mergers with other ministries. In 1987 the NZ Forest Service was split into multiple new agencies, one of these agencies was the Ministry of Forestry, in 1998 the Ministry of Forestry was merged into what has become the Ministry for Primary Industries (MPI). Being such a small part of a large ministry, forestry has experienced the adverse effects of conflict in competing demands for recognition as a valid primary industry land use.

Greater cross agency collaboration

FOA would like to take the opportunity to highlight a further issue with cross agency function while the review of the MfE’s function forms part of the MCERT proposal. The forestry sector has had considerable frustration over the years with cross agency collaboration between MfE and MPI. The knowledge and technical capacity on forestry operations and forest policy sits within MPI, yet MfE is the ultimate gate keeper of forestry policy. The sector has experienced frustration with MfE’s lack of engagement with MPI during the process of regulatory development. FOA views the MCERT proposal as a timely opportunity to review the mechanisms for greater cross agency collaboration between MfE and MPI on forestry policy.

Closure

We do not object to our submission being made public. We welcome the opportunity for further discussion and engagement.



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