



Submission

- to -

2050 Emissions Reduction Target Consultation  
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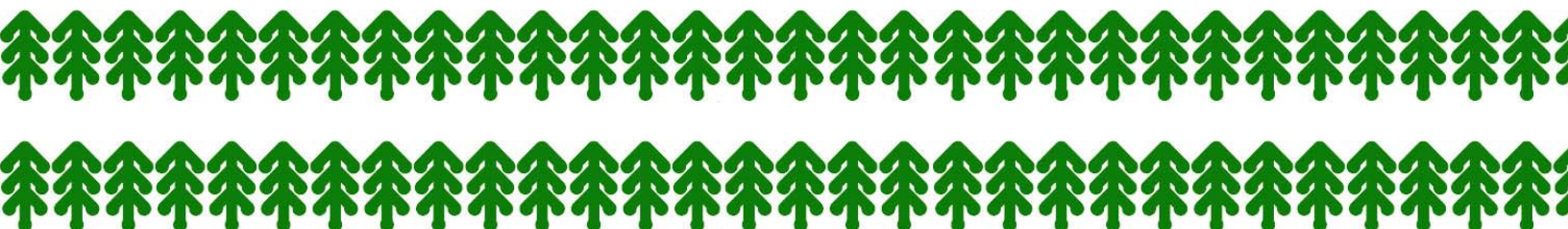
## NZ 2050 Emissions Reduction Target

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## 1. Introduction

This submission has been prepared by the NZ Forest Owners Association (FOA), on behalf of the New Zealand plantation forest industry.

The Association welcomes this opportunity to make submissions on the gazetting of New Zealand's 2050 emissions reduction target.

The FOA is a voluntary organisation representing the interests of commercial forest growers, facilitating co-operation and co-ordination within the forest industry. FOA member companies collectively manage around 1.4 million ha of rural land, 80% of which is planted in plantation trees. The total New Zealand plantation forest area is 1.69 million hectares.

Plantation forests are widespread throughout New Zealand, having being part of the New Zealand landscape since the mid 1800's. New Zealand foresters have extensive experience with different species, regimes, harvest options and associated earthworks.

Plantations provide important economic and environmental benefits.

Total harvest for the June 2010 year was just over 22.2 million m<sup>3</sup>, with the capability to increase to around 30 million m<sup>3</sup> pa in the near future if market conditions and the competitive domestic operating environment allow. Forecasts expect that sustainable harvest will in the next 10-15 years approach 40 million m<sup>3</sup>. Currently, approximately 6 million m<sup>3</sup> of the harvest is processed in New Zealand for New Zealand consumption. A further 6-7 million m<sup>3</sup> is processed then exported. The remainder of the harvest is exported in log form. These resources are supplied on an economic and sustainable basis to competitive domestic and international markets.

New Zealand's forests play a vital role in carbon sequestration to mitigate the effects of climate change and helping to meet our international obligations. In addition they offer great potential as the basis for biofuels, the development of which will be essential to meet any future targets.

There must be funding certainty for several years at a time to allow stability in planning. A forest investment commits investors to a planting process covering a number of years to complete (planning, land acquisition, land prep, etc).

## 2. Summary

FOA supports the gazetting of New Zealand's 2050 emissions target.

As noted in the Minister's position paper, responding effectively to climate change requires a long-term approach. Being long-term it is subject to greater political and investment uncertainty. Gazetting the New Zealand target will help to mitigate some of this uncertainty by making the national commitment more concrete and therefore more credible.

We are aware that a number of emitters and potential offsetters of carbon have not committed to a course of action because they remain unconvinced of the durability of New Zealand's commitment. Gazetting the target will provide further evidence of the resolve of government and thus contribute to the behavioural and investment changes ultimately required by New Zealand society.

### **3. Conclusion**

We do not consider this long-term target is onerous and believe it is in line with the commitment of other key Kyoto partners and necessary if action on climate change is going to be sufficient to avoid an undesirable outcome.

This is not to say that cost and structural adjustments will not be incurred but to avoid action unless it provides a real benefit to New Zealand is not internationally credible.

We note with appreciation the recognition of non-economic gains from forestry, although it would also be correct to record a financial benefit of costs avoided by increased forestry – notably clean up costs. The paper illustrates well the impact of forestry on New Zealand's profile. Stability of forestry is dependent on stability of policy affecting forestry and for ensuring the economy transitions in a measured way over time.

A handwritten signature in black ink, appearing to read 'David Rhodes', with a stylized flourish at the end.

David Rhodes  
Chief Executive