

1 April 2022

The Hon Stuart Nash
Minister of Forestry
Parliament Buildings
Wellington

Tēnā koe Minister

When He Pou a Rangi Climate Change Commission delivered *Ināia Tonu Nei* last year, we presented ambitious, achievable and equitable paths for Aotearoa to meet its climate targets and contribute to global efforts to address climate change.

It is now over to Government to determine and resource the specific policies that will form the Government's first Emissions Reduction Plan, and to set the first three emissions budgets to 2035.

As the Government moves to finalise the policies that will make up the plan, I am writing to all relevant Ministers to highlight recommendations from *Ināia Tonu Nei* and offer to meet with them.

Defining the strategic role of forests in the transition to low emissions is a key theme in our advice, and I would welcome the opportunity to share with you the thinking that sits behind the Commission's advice.

It is well established that we must decarbonise gross emissions, including through the appropriate use of biomass, bio liquids and bio gas and that we cannot plant our way out of our commitments. We are not on track to meet our 2030 target and the 2050 target will not be met without action.

While relying on forestry as the primary tool for emissions reductions is not a viable option, we are clear that both native and exotic forests will play a strategic role in meeting our climate targets.

Central to all our advice is the need to partner with iwi / Māori, and this is particularly relevant to forests, which hold important cultural and economic values for iwi / Māori.

The suite of policies developed will need to incentivise businesses to establish and maintain healthy forests and to manage the environmental risks associated with them. This ranges from large scale production forestry operations to family farms establishing native forests on marginal land as well as on land currently used for other agricultural purposes. It also encompasses non-forestry businesses who are seeking to use forest removals, in some cases to sustain emissions while promoting net zero credentials and in other cases to help them buy time to transition to a low emissions future.

The time for action is now – and we can't afford any more delays. Although the Government is currently dealing with competing, urgent issues – with Covid, the war in Ukraine, rising food prices and the energy price adjustment – climate action needs to stay at the top of the list of challenges requiring urgent action.

A cohesive strategy for forestry

I welcome the Government's consultation on managing exotic afforestation by changing the forestry settings in the New Zealand Emissions Trading Scheme (NZ ETS). It's important to get these ETS settings right so we don't see uncontrolled afforestation of poorly managed high risk permanent monocultures, especially pine forests.

Ināia Tonu Nei challenged the Government to clearly determine a strategic role for forests in the controlled increase of sequestration not only in the near term but also in the longer term thereby reducing net emissions to achieve our emissions targets. In addition the protection of carbon stored in our forests and the use of forestry as a source of materials for construction and bio energy must be provided for. We anticipate clearer policy direction on exactly how Aotearoa will use forestry to achieve its climate goals when the ERP is released in May.

Current afforestation rates are a source of tension for some rural communities. The sector and our communities need certainty about how and why forests will be used for both mitigation and adaptation, and what this means for their jobs and the environment. Once trees are planted the impacts are difficult to undo – which is why there needs to be clarity around exactly what is happening and why from the time of initial forest establishment.

While our advice prioritised reducing emissions that contribute to climate change, Aotearoa equally needs to focus on adapting to the changing climate. Whatever happens with emissions reductions in future, we know the climate is already changing and we will need to adapt.

The Government will be delivering its first national adaptation plan this year, with consultation due to begin in the coming weeks. As a country, it's important we understand the impacts of our changing climate – and adapt in ways that support our transition to a low emissions future.

The Commission is starting its adaptation work this year, and it will take increasing prevalence in our broader work programme over the coming years. We are responsible for delivering the next climate change risk assessment in 2026, and for monitoring implementation of the Government's national adaptation plan from 2024.

A long-term carbon sink for Aotearoa

Our advice prioritises stopping emissions at source, which means strategically managing forests to provide a long-term carbon sink for Aotearoa. Currently, forests are the only available option for removing carbon from the atmosphere at scale. Different types of forestry will have different roles to play – and this needs to be looked at holistically and addressed by policy change.

One of the main things we hope to see from the ERP is a comprehensive national programme to establish more native forests. Once established, native forests remove emissions over hundreds of years – out to 2050 and beyond. They provide multiple co-benefits, including supporting cultural values, increasing habitat for native fauna, decreasing erosion on steep hills, and increasing water quality.

Our advice recommends planting more exotic production forests, but fewer than Aotearoa would see under current NZ ETS settings. We also recommended that the Government should do more work on understanding the role, risks and opportunities associated with permanent exotic forests. That said, in preparing our advice the Commission found that there are limitations to categorising forests as either exotic or native or categorising them as either permanent or plantation. Permanence requires measurement and enforceability over decades to come as well as a realistic assessment of the risk to



permanence posed by environmental, legal, financial, regulatory or social change. Expressed intentions may play only a small part in actual outcomes.

Amendments to the ETS will be needed to manage afforestation – it is good the Government is already making progress in this area, but we expect to see more. Current rates of exotic afforestation are not yet inconsistent with the Commission’s demonstration pathway but some erosion of the social license for certain types of afforestation in certain regions and the changing risk profile of intended exotic planting may pose a risk in the future and there is little evidence that rates of native afforestation are on track.

We are keen to see development in line with our other forestry recommendations – including effective and integrated pest management to help establish new forests and maintain carbon in existing ones. If uncontrolled, pests can prevent new forests being established, and quickly destroy forests and reduce the carbon stored. Loss of carbon through drained peatlands and destroyed wetland should also be prevented; stronger policy is needed in this area.

With existing pre-1990 forests, we recommended the Government consider ways to give more flexibility for Māori-collectives with pre-1990 forest on their whenua. This will help give more scope to manage their whenua in line with intergenerational aspirations.

I look forward to discussing the role of forestry in the transition to a thriving, climate resilient, low emissions Aotearoa with you in more detail, ahead of the ERP’s release.

Ngā mihi nui



Dr Rod Carr
Chair of He Pou a Rangi Climate Change Commission

cc: The Hon James Shaw - Minister of Climate Change