

Forestry Policy

INTRODUCTION

Forests are valued for recreation and their place in the landscape. They play a major environmental role in reducing erosion, improving water quality in our rivers and streams, and reducing net greenhouse gas emissions.

Forestry has played a big part in New Zealand's economic development and has huge growth and innovation potential for our economy. Forestry exports are worth about \$3 billion, which is a decrease of about 3% from March 2007. Forestry is our third-highest export earner following dairy and meat. Domestically, the sector has between \$1.5 billion and \$2 billion of domestic sales. Latest available figures show that 23,400 people are directly employed in this sector.

Under the Labour Government, the forestry sector has been neglected. The results of this neglect are plain for all to see.

New Zealand planted more trees than it felled every year from 1951 to 2003, building a forestry resource of 1.9 million hectares of trees. But since then, there has been ever-increasing deforestation (see table).

In 2003, only 3.6% of harvested trees were not replanted. In 2005, this proportion leapt to 18%, and in 2007, a shocking 35% of felled forests were not replanted. This deforestation is a direct consequence of Labour's disastrous forestry and climate change policies, which have alienated and divided the forestry industry.

National will get New Zealand planting again. We will re-engage with foresters and forestry owners, encourage sustainable timber products, and help our forest industry become a big player in New Zealand's economic development once more.

Deforestation since 2002

	2002	2003	2004	2005	2006	2007
Net stocked area (ha)	1,814,000	1,827,000	1,822,000	1,811,000	1,800,000	1,790,000
Harvested area (ha)	42,000	49,000	40,800	39,000	38,800	38,700
Estimated area of deforestation	1120	1748	1732	7000	12900	13600
Estimated deforestation rate	2.7%	3.6%	4.2%	18%	33%	35%

Source: National Exotic Forest Database 2002 – 2007

GETTING NEW ZEALAND PLANTING AGAIN

National will support initiatives to get New Zealand planting again.

We will focus on encouraging the planting of hill country land that is prone to erosion and is not currently forested. We believe that the area of land suitable for such planting may be between 600,000 and 800,000 hectares. Increased planting would have substantial environmental benefits. These include:

- Reducing net greenhouse gas emissions.
- Reducing erosion and improving flood prevention.
- Increasing biodiversity.
- Improving the quality of water in our rivers and streams.

Forestry Offset Scheme

Under present arrangements, owners of forests that were planted before 1990 are penalised if they harvest their trees without replanting on the same land. This reduces flexibility for forest owners, imposes obligations on them that were not present when the trees were planted, and prevents them from making the best economic use of their land, especially when it may be sensible for them to replant a forest elsewhere.

National supports the implementation of a forestry offset scheme, which would help to address some of these concerns. We will establish such a scheme subject to a full assessment of the costs involved.

The Kyoto Protocol does not permit forestry offset schemes that operate in this way, so National will commit to negotiating future international climate change agreements that include schemes like this.

Afforestation Grant Scheme

The Afforestation Grant Scheme (AGS) is a new government initiative, established in early 2008. It is designed to encourage greater levels of greenhouse gas absorption by increasing the area of Kyoto-compliant new forest in New Zealand.

National supports the AGS. We want to encourage tree planting in small forests and farms, and ensure that slip-prone hill-country is prioritised. We will monitor the scheme's performance over time to ensure it is encouraging more tree planting.

The Resource Management Act

There is a strong need to reform the Resource Management Act to assist the development of modern and computerised processing sites (sawmills) in New Zealand.

It is clear that in recent years, a number of investment opportunities have gone overseas because of the frustrations, delays, and costs in trying to establish new or upgraded processing sites in New Zealand.

National will reform the Resource Management Act to encourage greater investment in modern sawmills. This will, in turn, encourage greater investment in tree planting.

We will announce our policy on the Resource Management Act closer to the election.

National will:

- Establish a forestry offset scheme, subject to a full assessment of the costs of such a scheme.
- Negotiate to include offset schemes for plantation forests in international climate change agreements. [Continued on next page.](#)

- Support the Afforestation Grant Scheme (AGS) to encourage tree planting in small forests and farms.
- Streamline and simplify the processes of the Resource Management Act to reduce delays, uncertainties and costs.

WORKING WITH THE FORESTRY SECTOR

In 2005, the Labour Government created the FIDA (Forestry Industry Development Agenda). The FIDA has a cross-section of government and forestry sector representatives (92% of all commercial forests, native and exotic, are private). Relationships between a number of members of the FIDA and the Government seriously deteriorated over discussions on the emissions trading scheme.

National will re-engage with members of the forestry and timber industries to encourage them to work together and to ensure that their concerns are being addressed. As well as reversing Labour's dreadful record on deforestation, there is a need to focus on practical solutions to a number of issues, including:

- Logistics.
- Health and safety.
- Identifying the important role of forest and industry residues which may provide alternative sources of energy.
- Chemicals and other materials.
- The wider use of alternative species, especially the planting of native trees.

National will refine the Forest Industry Development Agenda, consistent with the priorities identified and agreed between government and industry.

We support the wood and forestry promotional programme NZ Wood.

New 'Kyoto forests', probably based on a wider range of species than we have now, could potentially transform large areas of hill country where soil erosion and loss of water quality are of concern. These sites, which are often economically marginal for straight sheep and cattle or timber production, will provide farmers and other land-holders with a new income stream and at the same time 'heal' the country.

National supports more research and development into innovative breeding and forestry techniques, to maximise the potential of our future forests. We will announce our Research, Science, and Technology policy closer to the election.

National will:

- Re-engage with the forestry sector. Refine the Forest Industry Development Agenda consistent with the priorities identified and agreed between government and industry.
- Support the wood and forestry promotional programme NZ Wood.
- Encourage research and development in the timber industry.

ENCOURAGING SUSTAINABLE TIMBER

National supports sustainable timber, and we want to ensure that all exported and imported timber comes from sustainable forestry.

National will insist on robust independent audit processes to ensure that all imported and exported timber is accredited and certified as coming from sustainable sources. The major certification scheme currently in use is FSC (Forest Stewardship Council), which has a high rating for practical transparency, chain of custody protocols, multi-stakeholder involvement, and auditing procedures as regards the logging and processing of forest products.

National believes in choice and we will accept internationally approved certification schemes. We believe that choice in certification will:

- Encourage compliance.
- Reduce costs.
- Promote innovative certification schemes that better meet the needs of industry, retailers, and consumers.

One of New Zealand's market strengths is the forest industries' sophisticated sustainable management policy. National believes the government should promote this fact to our international markets and support international forums.

National will:

- Work with the timber industry and importers to ensure independent audit processes certify that all imported and exported timber comes from sustainable forests. Such processes should be sufficiently flexible to support:
 - A choice of certification for domestic timber producers.

- Retailer-led initiatives that promote sustainable timber products.

- Ensure that New Zealand demonstrates a commitment to sustainable forest management.

METHYL BROMIDE

New Zealand currently uses methyl bromide for fumigation of export forest products.

The Environment Risk Management Agency is undertaking a review at the risks, costs, and benefits of methyl bromide use, and we will consider closely the recommendations of that review.

National will investigate cross-government co-ordination towards developing a comprehensive New Zealand methyl bromide response strategy and we will support the industry in moving towards alternatives that are technically and economically feasible.

Phosphine is an ozone-friendly alternative to methyl bromide, and is currently being trialled. If research is successful, we will support international efforts to get it accepted by biosecurity authorities.

National will:

- Support ERMA's review of the use of methyl bromide.
- Encourage research into alternative fumigants, such as phosphine.
- If research proves successful, negotiate with biosecurity authorities in other countries to facilitate acceptance of a new fumigant.