

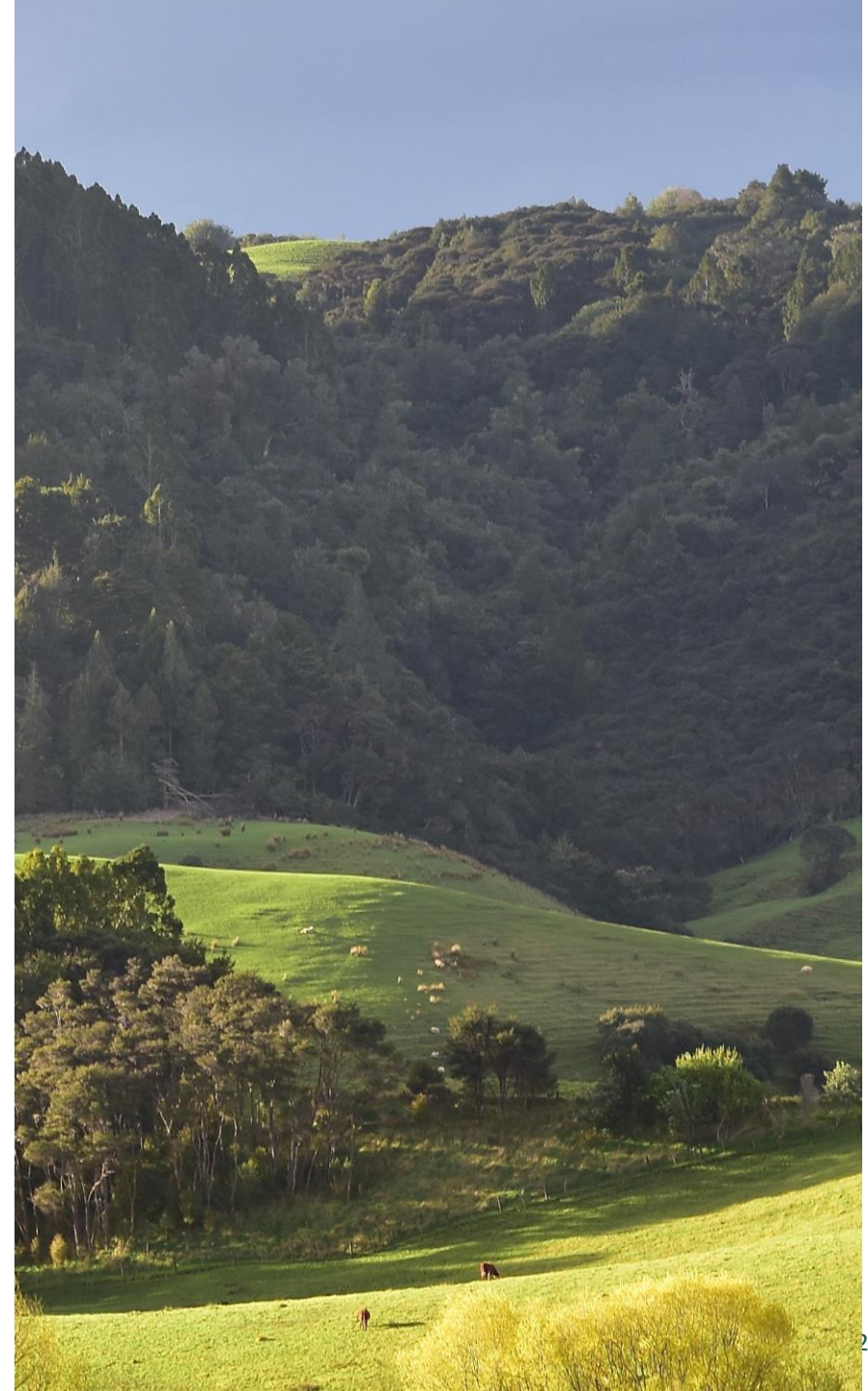
The role of forestry in helping to combat climate change

Oliver Hendrickson
Director Forestry & Land Management
Te Uru Rākau – New Zealand Forest Service

2 June 2021

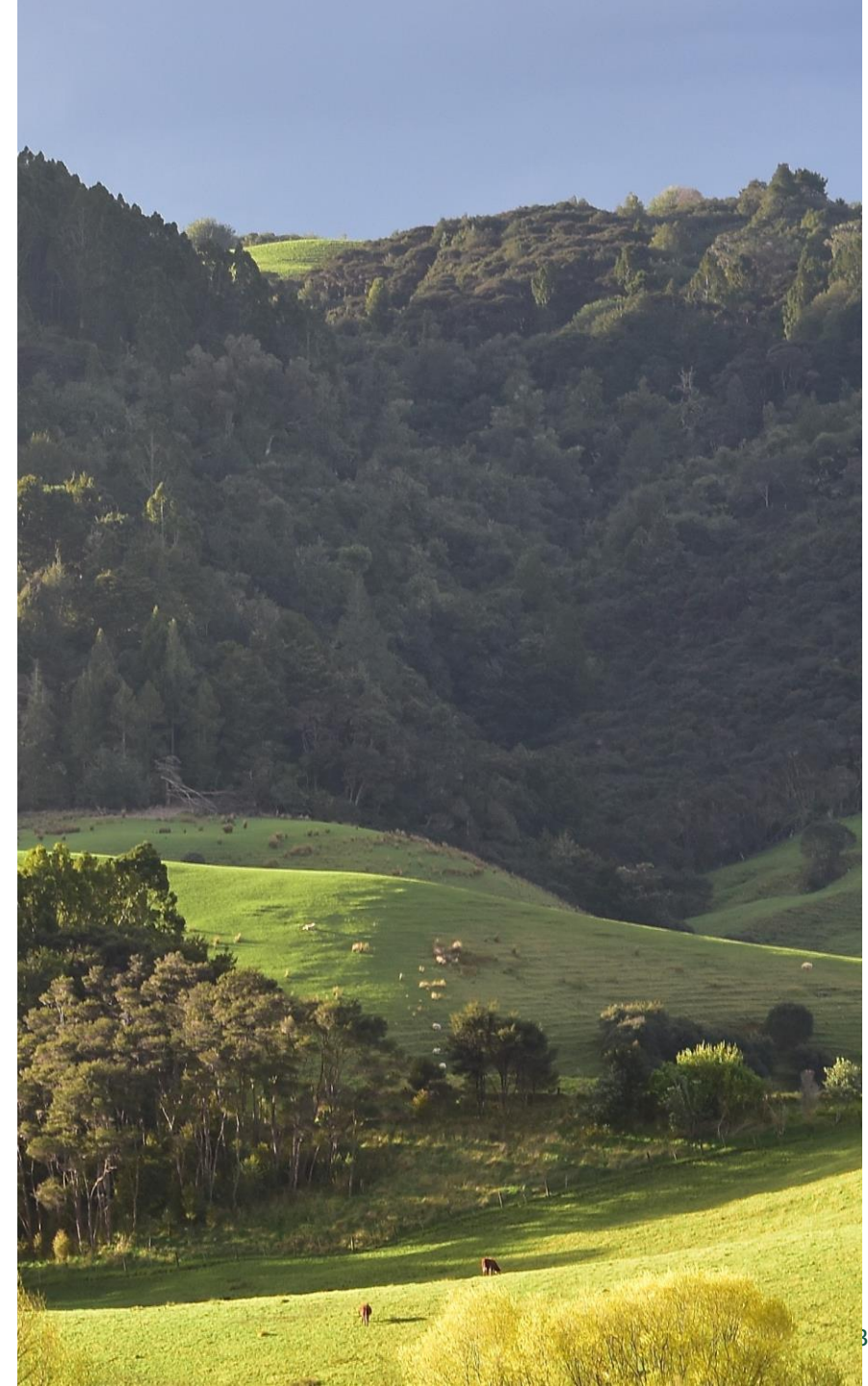
Outline

- Forestry trends
- One Billion Trees programme
- Forestry in the ETS
- Transforming the ETS
- Transforming forestry
- Emissions Reduction Plan



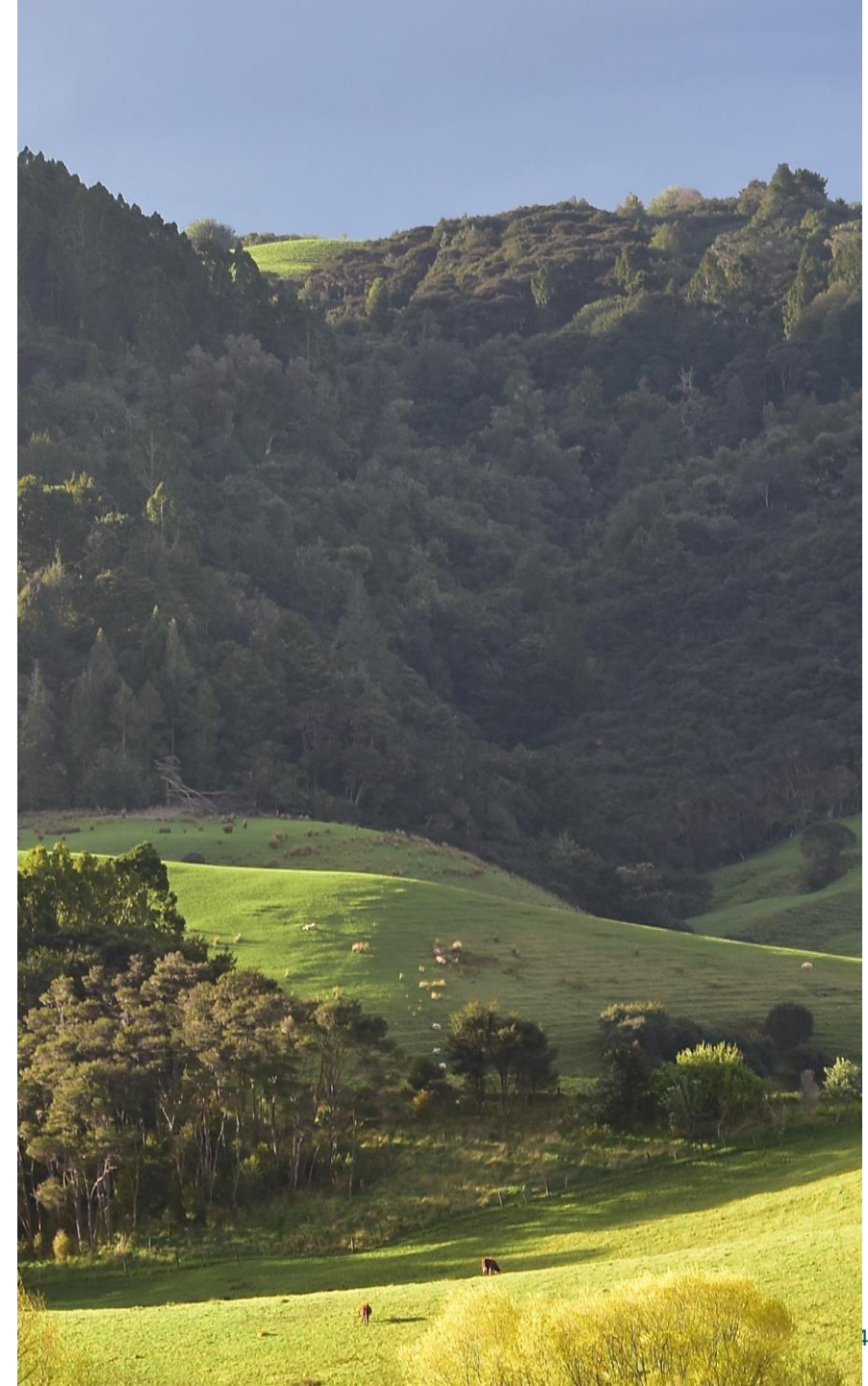
Forestry trends

- 1.66 million hectares of production forest
- 92 million seedlings sold in 2020 (up 3 million from 2019)
- Harvest volumes have increased over last 10 years
- Exports expected to increase to \$6 billion in year to 30 June 2021



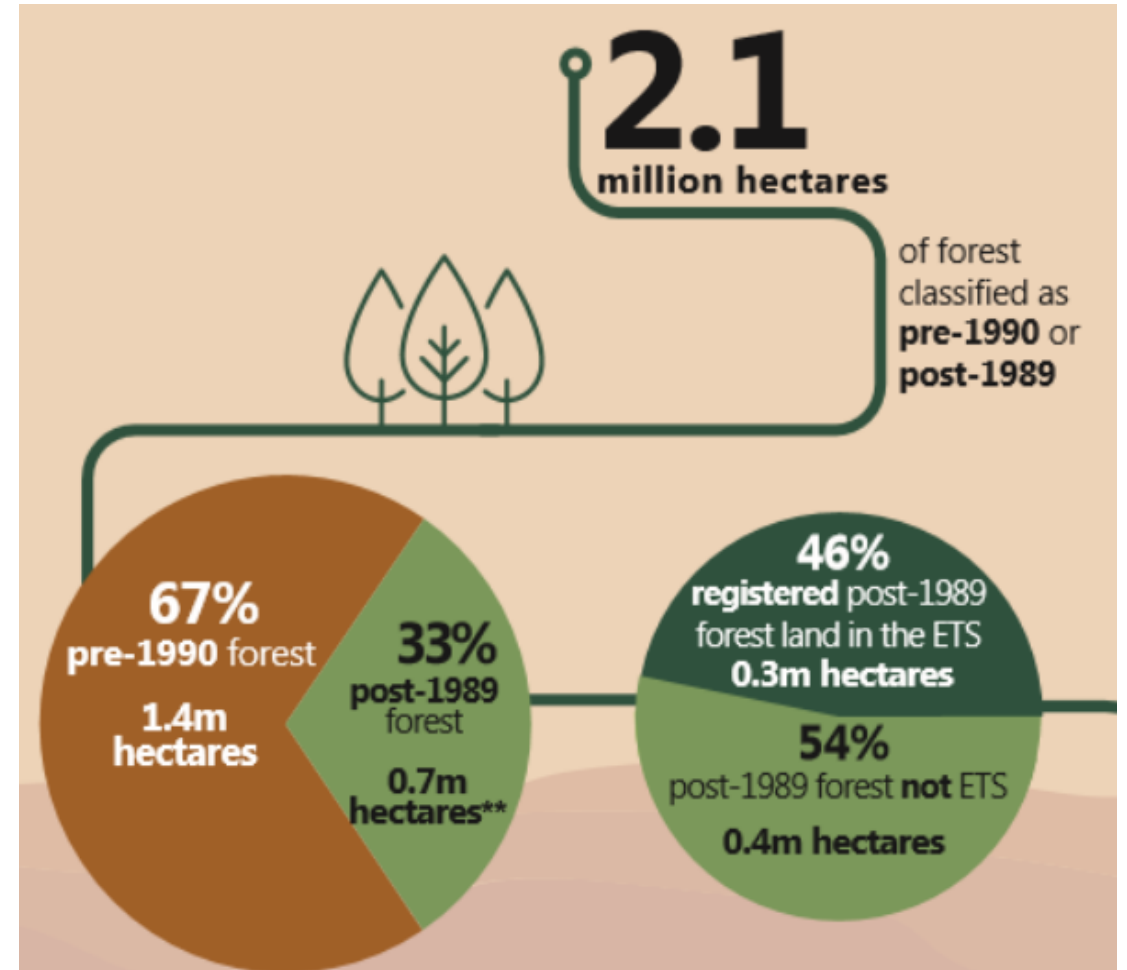
One Billion Trees programme

- Goal to reach 1 billion trees planted by 2028
- Right tree, right place, right purpose
- More than 258 million trees planted
- Targeted investment in tree planting and forest sector partnerships to:
 - create jobs
 - support economic recovery
 - deliver environmental benefits



Forestry in the ETS

- > 2100 post-1989 forest land participants
- 333,100 ha post-1989 forest land in the ETS – 6.9 million carbon credits claimed last year
- Between 2018 and 2022 ETS registered forests are expected to remove a net of 44 million tonnes of CO₂ from the atmosphere – petrol cars will emit around 35 million tonnes CO₂ during this time



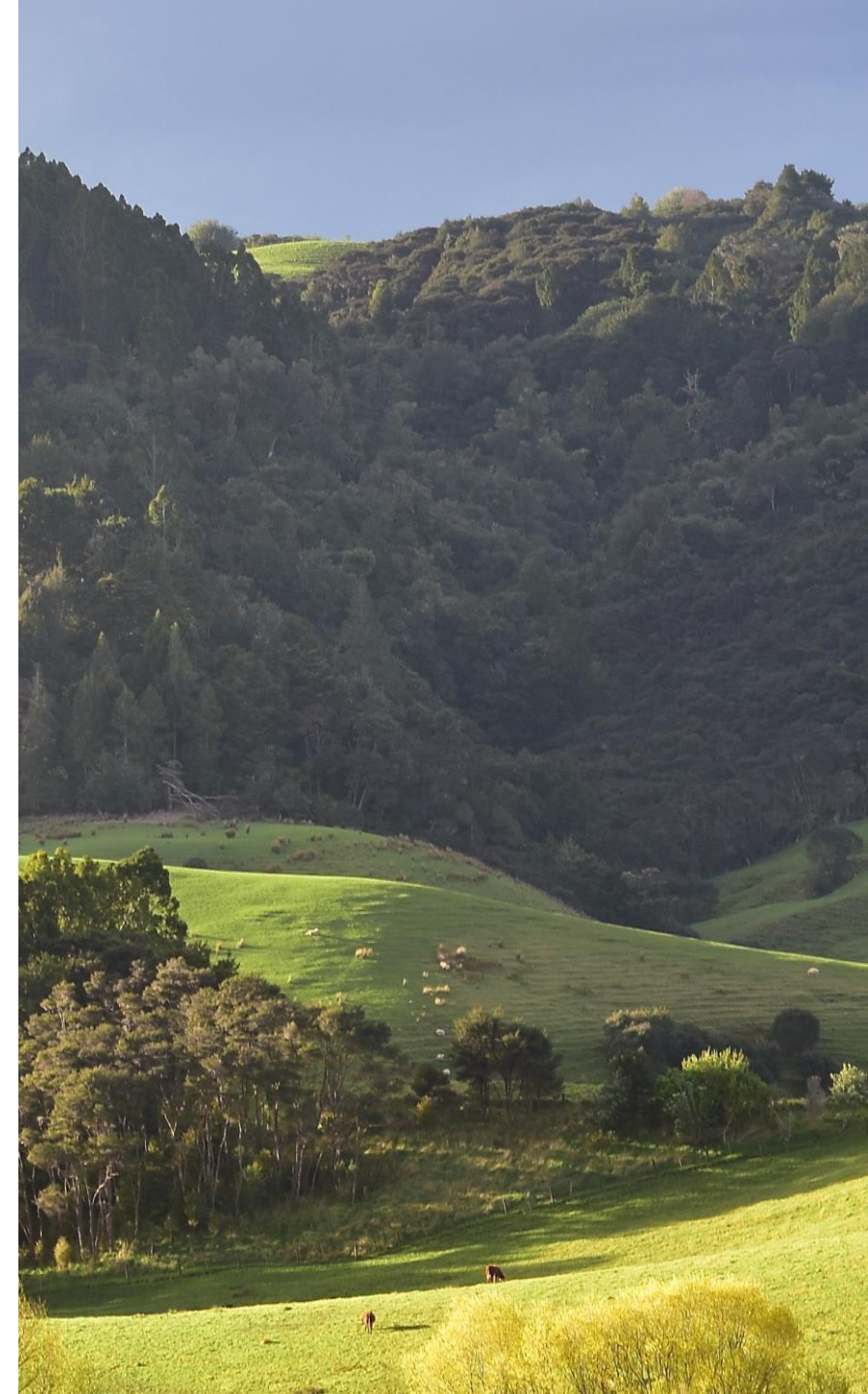
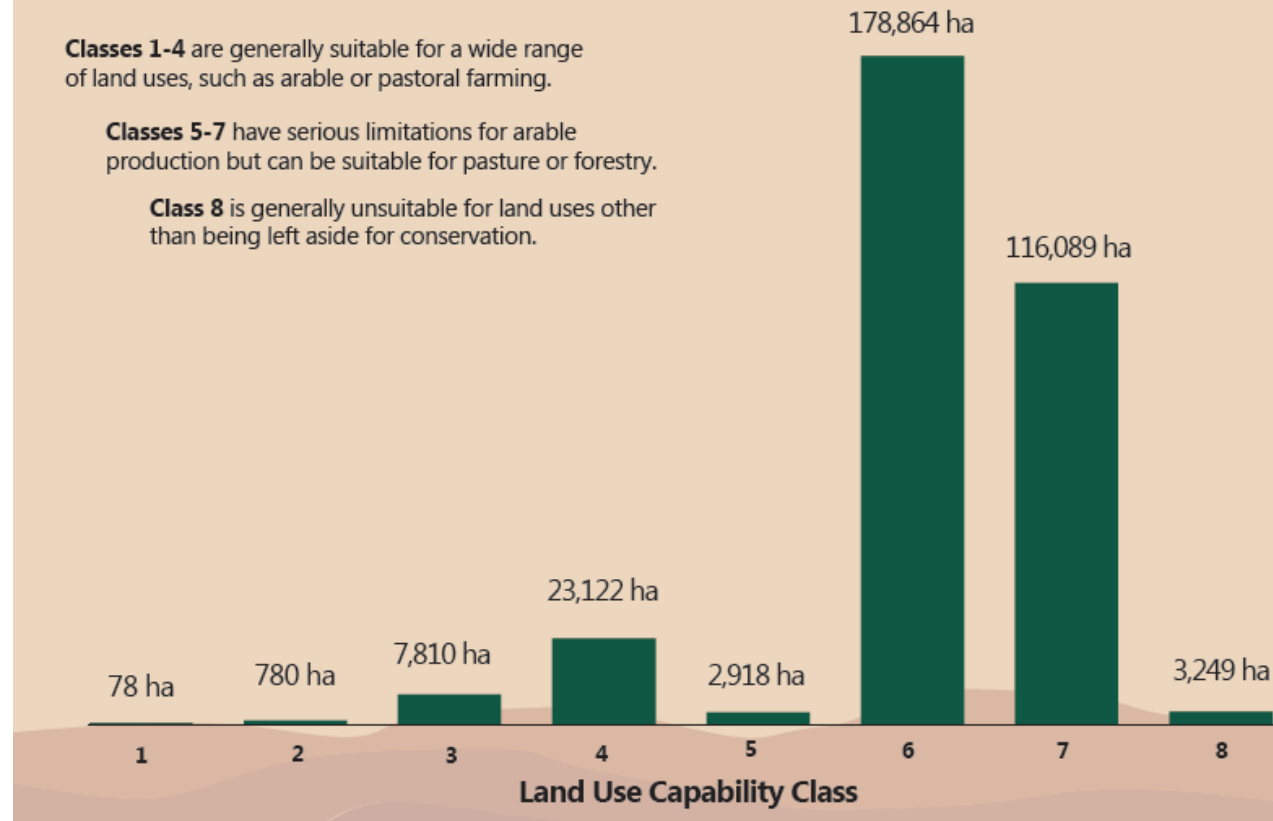
Forestry in the ETS

Post-1989 ETS registered forest land by **Land Use Capability class**

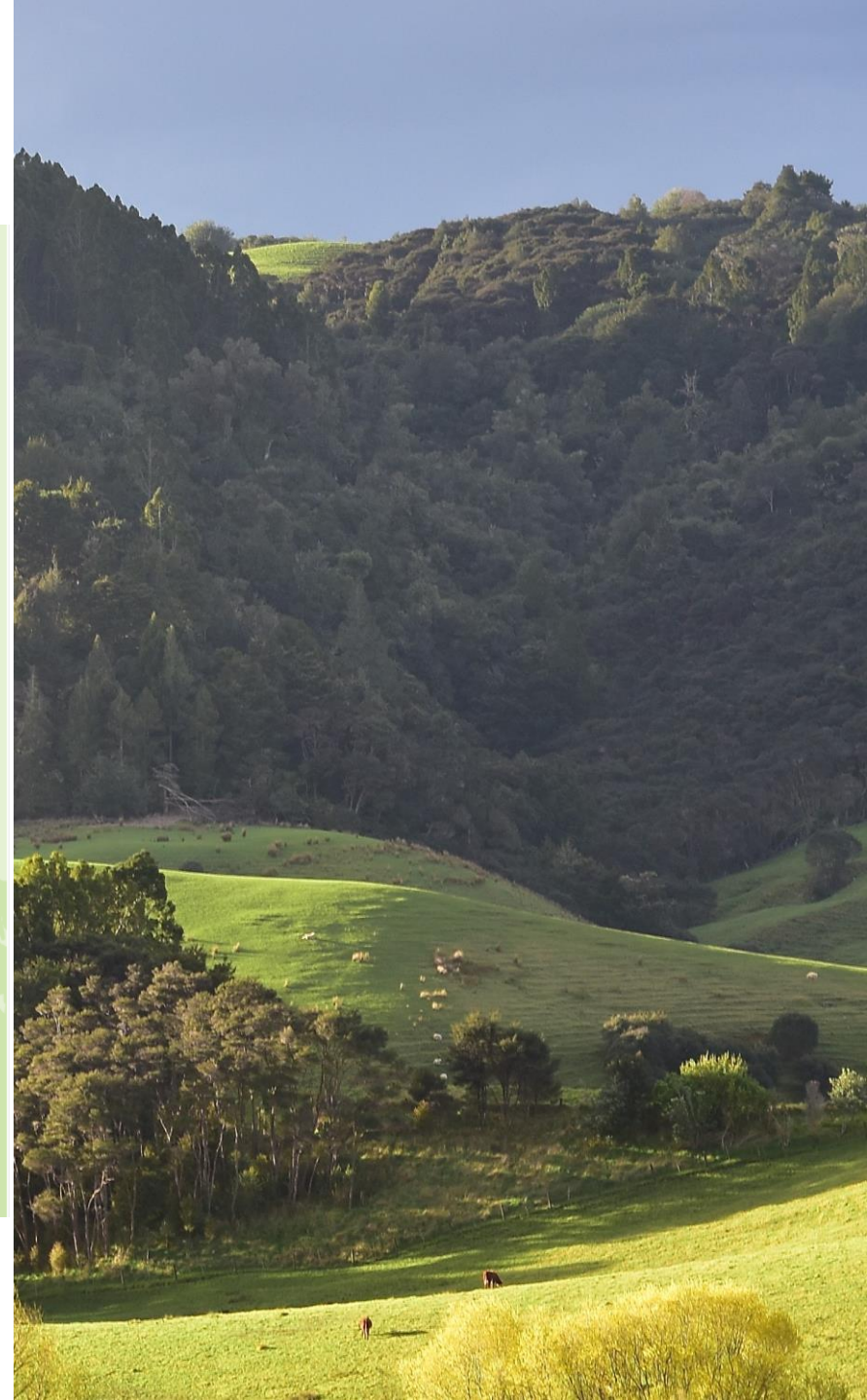
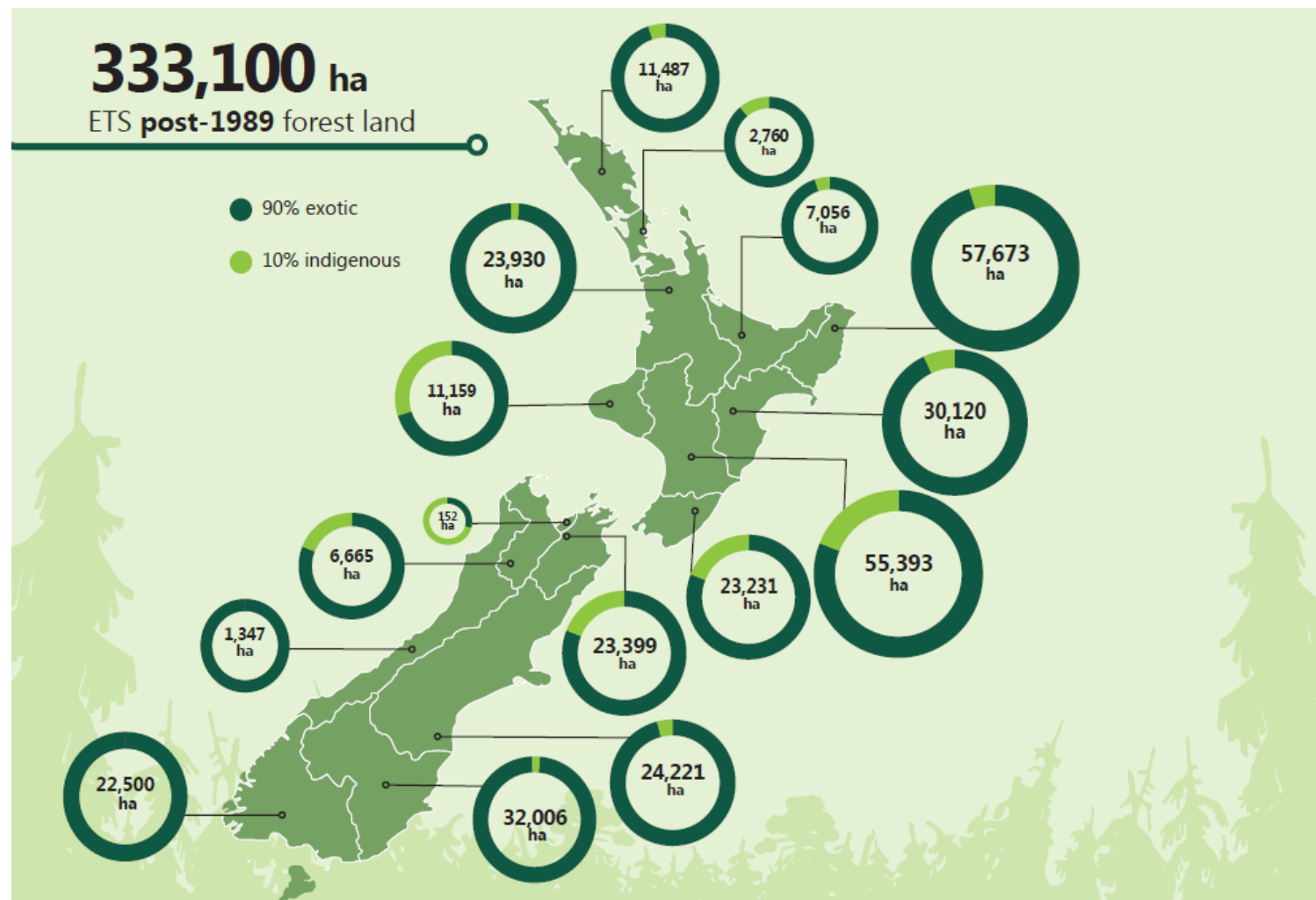
Classes 1-4 are generally suitable for a wide range of land uses, such as arable or pastoral farming.

Classes 5-7 have serious limitations for arable production but can be suitable for pasture or forestry.

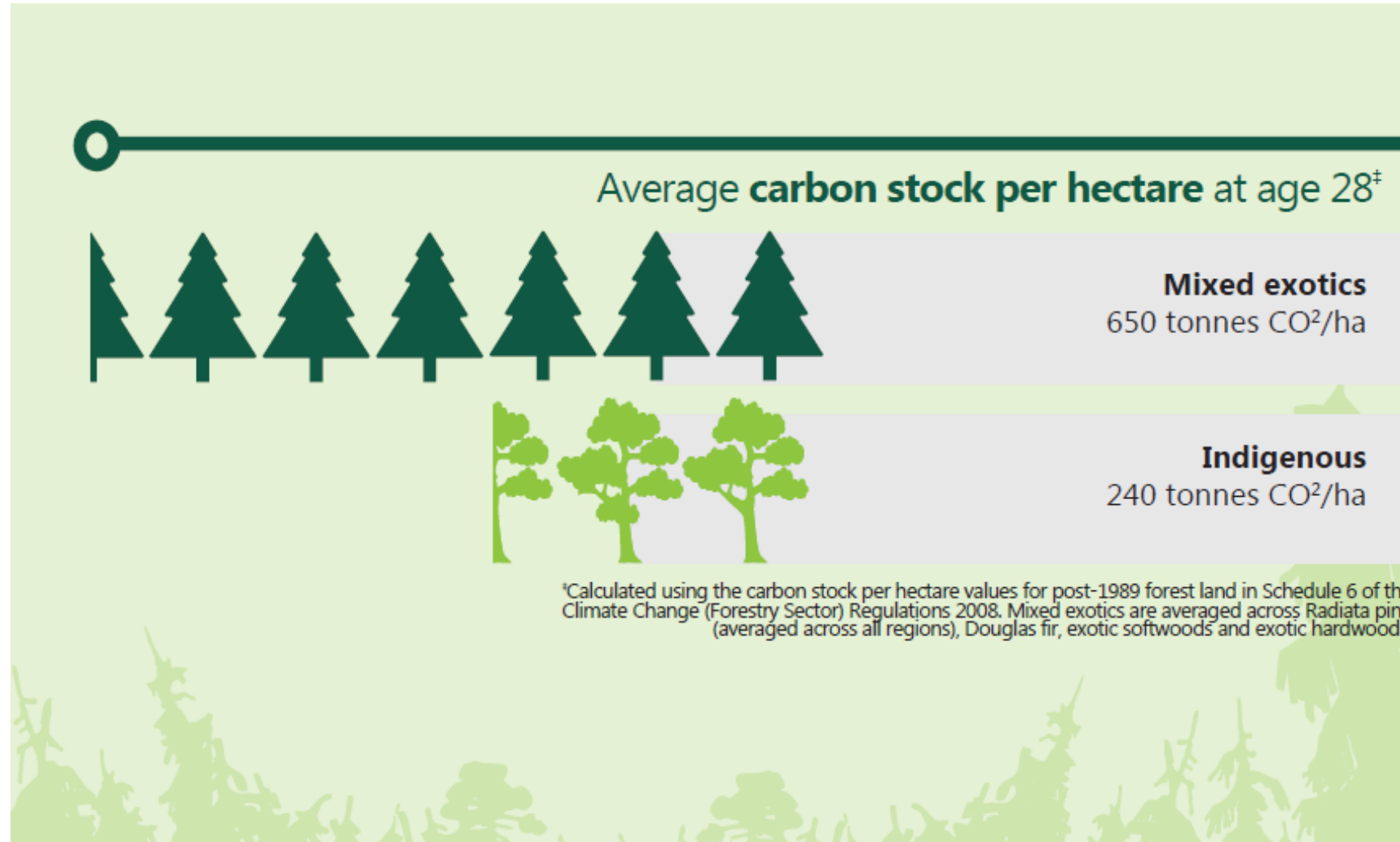
Class 8 is generally unsuitable for land uses other than being left aside for conservation.



Forestry in the ETS

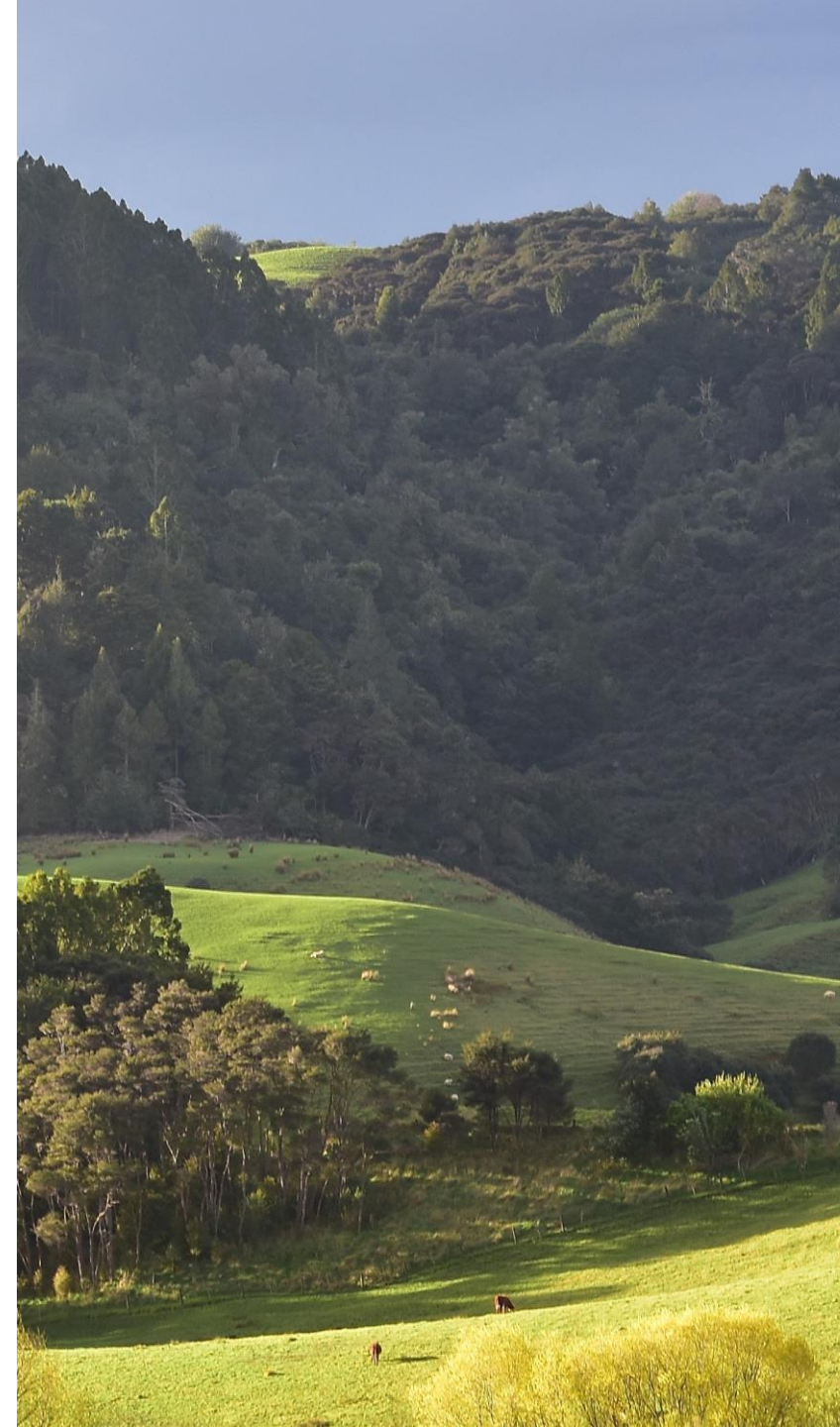


Forestry in the ETS



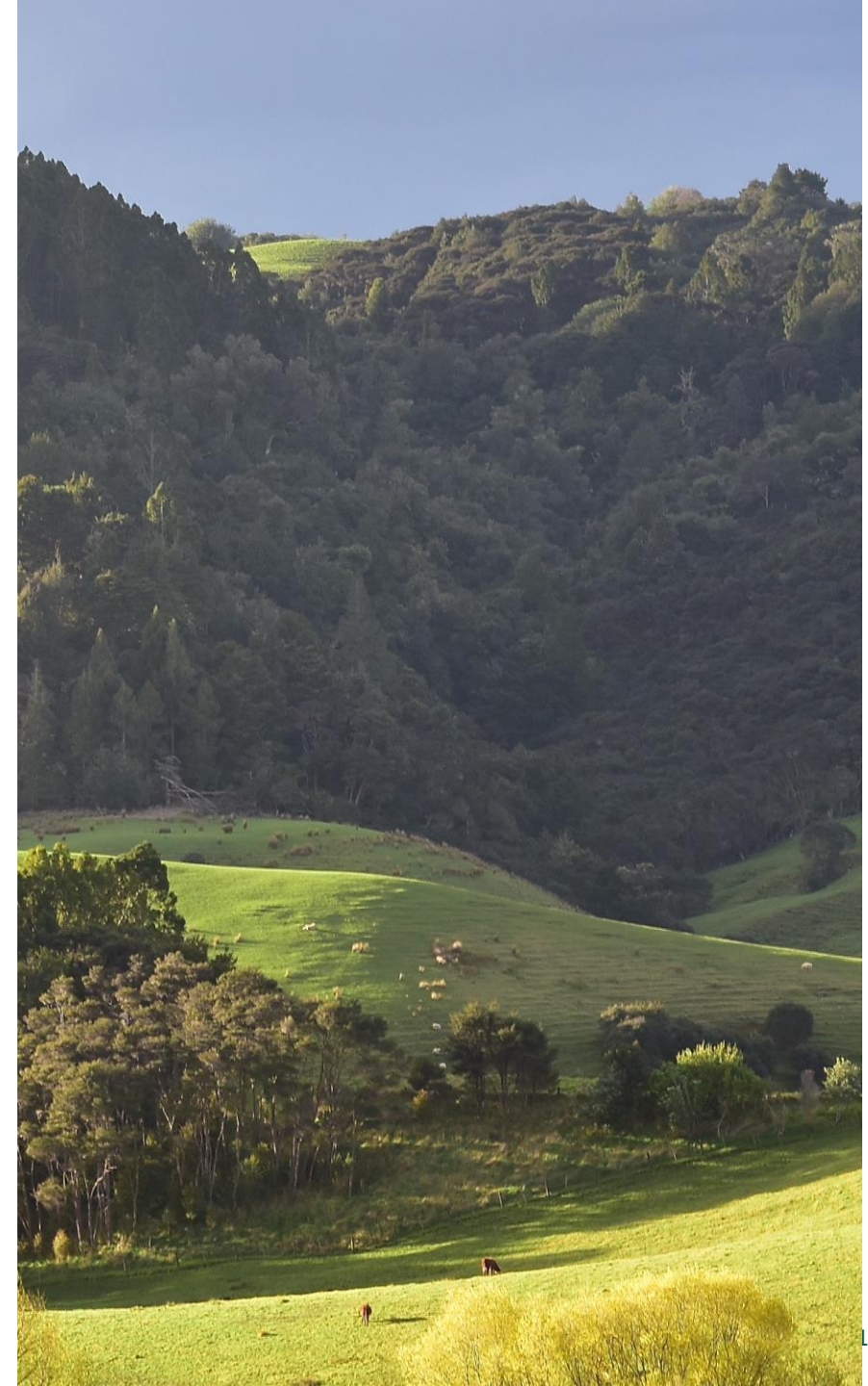
The value

- To support delivery of the Government's goals for climate and transition to a low emissions economy by 2035
- A stronger planning and advisory service will be essential to achieve >600,000 ha combined of exotic and indigenous forestry:
 - greater native afforestation would increase the contribution to our targets from 11.4 to 16.9 million tonnes of carbon, worth \$220m
 - better targeting of where an additional 370,000 ha exotics are planted, storing 130 million tonnes of carbon, worth around \$5b
- To maximise full value of future forest asset it will need to be carefully planned to support planting of trees in the right place and growth of the domestic processing industry and emerging bioeconomy



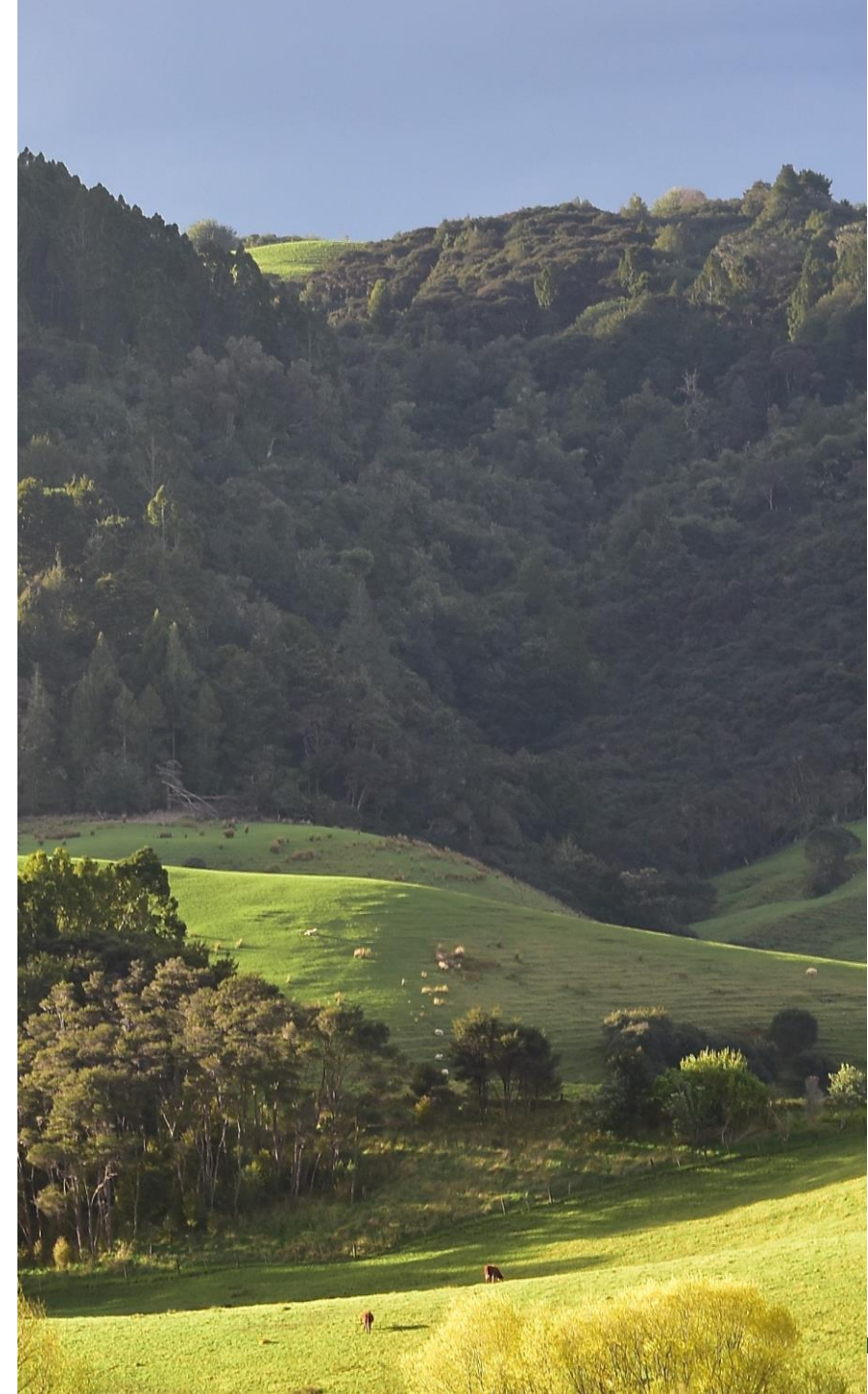
Transforming the ETS

- The changes aim to:
 - make it easier for people to earn NZUs for planting forests
 - encourage afforestation
 - reduce the costs of participating in the ETS
 - enable people to use their land more flexibly
- Two key milestones:
 - June 2022 – first release of new technology system
 - 1 January 2023 – new regulations come into force and system changes to support them



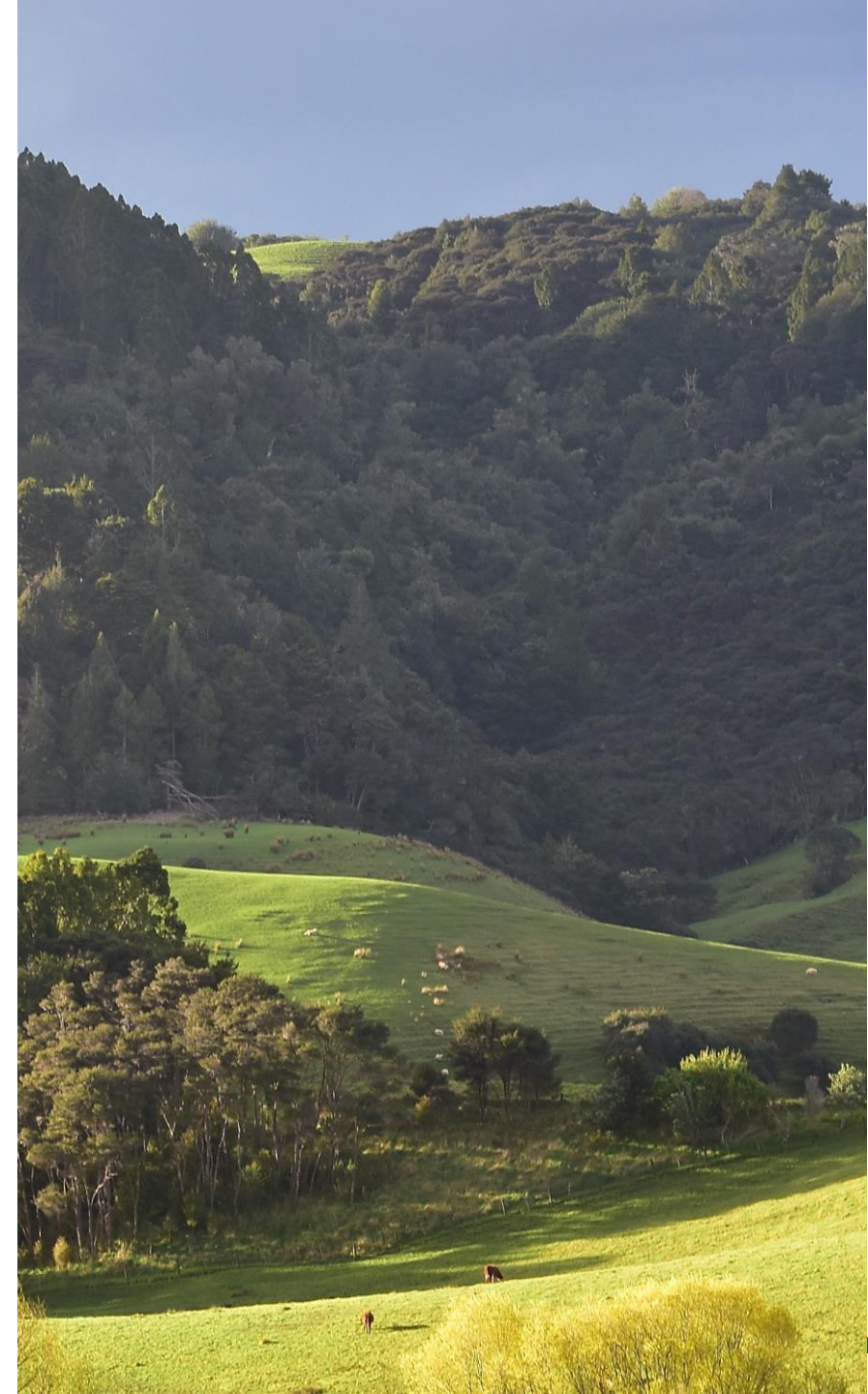
Industry Transformation Plan

- To unlock the the potential of forestry and wood processing
- Partnership with Māori and stakeholders including industry and unions.
- Aligning with MPIs *Fit for a better world* roadmap for accelerating economic potential:
 - investigating opportunities to produce bioproducts from wood residues
 - manufacturing clusters to achieve efficiency gains and minimise waste
 - encouraging greater use of timber in construction



Emissions Reduction Plan

- Policies and strategies to meet emissions budgets and make progress towards the 2050 emissions reduction target
- Developing future policy settings to address impact of the Climate Change Commission's proposals on forestry and agriculture
- Government partnering with primary sector and Māori through He Waka Eke Noa
- First ERP due by end of 2021



Questions...

mpi.govt.nz/forestry

Enquiries: climate.change@mpi.govt.nz