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FOREST INDUSTRY TO CONSIDER GOVERNMENT RESPONSE ON CLIMATE CHANGE FRAMEWORK AGREEMENT

The forestry industry welcomes the package of measures announced by the Government today, recognising the sector's significant contribution to meeting New Zealand's climate change objectives.

The proposed Forestry Industry Framework Agreement (FIFA) comprises a range of policies and programmes designed to enhance the sector's role in reducing greenhouse gas emissions by storing vast quantities of carbon in growing forests and wood products while promoting the industry's future growth in the best interests of the environment, wood processors and forest growers.

"The forestry sector has been trying to resolve the Government's intention to assume ownership of carbon sink credits under the Kyoto Protocol since mid 2002. The Kyoto policy package released in December 2002 made it clear that the Government intended to adopt further measures in respect of forestry. After two years' work, it's good to have got to this point but the industry now needs time to consider the outcome," said New Zealand Forest Industries Council Chairman Devon McLean.

Mr McLean also noted that the market development, transport, energy and training initiatives in the package supported the Wood Processing Strategy which aimed to overcome the barriers towards increased investment in wood processing in New Zealand.

New Zealand Forest Owners Association President Peter Berg welcomed the recognition of the industry's role in creating forest sinks.

"Forest owners have created the only means by which New Zealand can achieve its Kyoto target without major economic cost," said Mr Berg. "The industry has been seeking the return to forest growers of a fair proportion of credits derived from forest sinks. FIFA should be a 'win win', allowing us to work with – rather than against – the Government to achieve both forestry industry development and climate change objectives."

Mr Berg noted that the Government's decisions to assume all deforestation and harvesting liabilities in respect of post-1990 forests and the intention to encourage permanent forest sinks would be welcomed by the industry. However other decisions such as the retention on the current cap on deforestation liability in respect of pre-1990 forests would cause concern.

“The industry will need to weigh up the whole package before deciding to sign the proposed memorandum of understanding with the Government. Some key areas of the package depend on whether Russia ratifies the Kyoto Protocol. However, forests have great potential to contribute even more to the country’s reduction in greenhouse gas emissions. We would like to see the Government being more proactive in this regard.”

New Zealand Farm Forestry Association President Nick Seymour said the Association’s members believe the forestry industry is entitled to a just recompense for the carbon credits being accumulated by its trees, and will examine the detail carefully to see if the package achieves this.

“Farm foresters are already supplying an increasing proportion of a fully sustainable and renewable resource. Any successful climate change strategy focused on forestry needs to recognise the contribution of smaller growers.”

The industry expects to make a further comment on the Government’s FIFA package in coming weeks.

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