

PRESS RELEASE

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Government's Proposed Forestry Policies to cost the Industry Workforce

The New Zealand Institute of Forestry (NZIF) and the Forest Industry Contractors Association (FICA) are voicing profound apprehension regarding the government's proposed forestry policies. There is concern for New Zealand's forestry sector and its workforce, and they estimate policy will incur a cost to the nation ranging between \$1-2 billion, as New Zealand will fail to meet its carbon emission commitments and be forced to purchase offshore carbon units to compensate.

Representing the majority of individuals employed in the forestry sector within New Zealand, NZIF and FICA jointly say these policies, which have been introduced without any prior consultation or coordination with the industry, pose a significant risk to the sector's stability and vitality.

FICA CEO Prue Younger says the workforce FICA represents is already in a dire situation.

"Forestry contractors are already at breaking point with an unsustainable model. We've had a tough three years, and pressure is compounding with increased operational costs, staffing and employment issues, market instability and contractual challenges. We are seeing widespread reduction of harvest targets and cancelled contracts."

"This policy will add to their burden, and we'll see lots of businesses cease to exist and therefore lots of the workforce out of jobs. Not many can survive in this ongoing uncertainty with dire market conditions. A substantial number of jobs are at stake, threatening the livelihoods of 20-40% of the workforce."

NZIF President James Treadwell says "the absence of consultation with the forestry sector, coupled with the lack of coordination among government entities, has given rise to investor concerns, leading to a detrimental flight of capital from the industry."

"Of particular concern is the government's disregard for the advice provided by the Climate Change Commission (CCC), resulting in a significant downturn of the carbon market. The CCC's current draft advice to restrict new planting is concerning, and it has been further emphasised by the National Party, while the Labour Party has introduced measures to limit new planting through local council control," says Treadwell.

"In addition, the Ministry for the Environment (MfE) has released a consultation document suggesting a complete overhaul of the Emissions Trading Scheme (ETS), with the possibility of decoupling forestry."

“Forestry's inclusion in the ETS is the only effective measure currently in place to address climate change commitments, offering a ray of hope in meeting our targets. Slowing down or halting this progress would not only harm every New Zealander but also hinder future generations' ability to fulfill the Industry Transformation Plan, which includes investments in processing, such as biofuels, and the growth of the bio-economy,” says Treadwell.

NZIF and FICA share genuine concerns for the workforce, the fulfillment of commitments, and the added burden these hasty policies will place on all New Zealanders.

“These policies are politically driven and lack scientific or economic backing. Even if immediate actions are taken to improve investor sentiment in the forestry sector, it will take years to rebuild trust in stable government policies,” says Treadwell.

In light of this, FICA and NZIF urgently call upon all politicians and officials to recognise the collective impact of their decisions, the effect on the workforce and greater supply chain and engage in immediate consultation with the forest industry for the betterment of New Zealand and the global fight against climate change. Collaboration is vital in finding sensible and measured solutions that benefit the nation as a whole.

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About NZIF:

The New Zealand Institute of Forestry (NZIF) is a professional body representing the interests of those involved in New Zealand's forestry sector. With a diverse membership, including forest managers, researchers, consultants, and educators, NZIF is committed to advancing sustainable forest management practices and promoting the economic, social, and environmental benefits of forestry.

About FICA:

The Forest Industry Contractors Association (FICA) is a leading industry association representing the interests of forestry contractors in New Zealand. FICA strives to foster a sustainable and prosperous forest contracting industry through advocacy, collaboration, and the promotion of best practices. Its members encompass a wide range of businesses involved in forestry operations, making FICA a vital representative of the sector.