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Forestry seeking judicial review to halt ETS fees

The Ministry for Primary Industries' new fees regime, which will increase costs for those participating in New Zealand's Emissions Trading Scheme by several thousand percent, will undermine climate action, put Iwi, landowners and farm foresters under significant financial pressure and threaten the country's climate action, according to sector leaders.

The Climate Forestry Association, NZ Institute of Forestry, Ngā Pou a Tāne – The National Māori Forestry Association and the Forest Owners Association, along with a wide range of industry representatives and Māori forestry interests – in total representing the owners of more than 300,000 hectares of local forest – have launched a judicial review in the High Court seeking an urgent examination of the new MPI fees regime, which they call excessive, unreasonable and disproportionate.

These new charges are estimated to add at least \$14 million per year in fees for foresters participating in the ETS, with some individual forest owners facing more than \$1m a year in new fees.

Climate Forestry Association chief executive Andrew Cushen says the industry has come together to take legal action because there is much more at stake in this proposal than just the impact the new fees regime will have on a sector that creates jobs and revenue for the regions.

"As well as piling enormous costs onto an industry that many local businesses and communities rely on, MPI's new fees will disincentivise climate action," says Andrew Cushen.

"The new charges are likely to have a major chilling effect on planting intentions and new investment – already thrown into uncertainty by the Government's ETS review – when forest carbon sequestration is currently one of New Zealand's most successful climate change mitigations."

NZIF President James Treadwell says, "These charges are poised to shatter our hopes of achieving the Climate Change Commission's target of 300,000 hectares of new native forest, potentially jeopardising our 2050 climate commitments."

"They are also expected to further devalue land prices by at least another \$500 per hectare, a blow coming precisely when farmers are grappling with increased interest rates" James Treadwell says.

"The fees create a discouraging environment for the emergence of future ecosystem services markets, like biodiversity markets, aimed at enhancing Aotearoa's environmental footprint."

Ngā Pou a Tāne Chair Te Kapunga Dewes says the fees are clearly in breach of the Crown's duties as a Treaty partner and put the environmental and economic futures of Māori and non-Māori alike at grave risk.

"Many Iwi and Māori landowners are captured participants of the ETS. As a result of confiscations and the Treaty settlement process, much of the land Māori have been left with is best – and often only – suited to afforestation. Indeed, in many of these settlements, the carbon value of forests was part of the negotiation and settlement with the Crown," says Te Kapunga Dewes.



“The value of those settlements will again be eroded through this new fees regime, with many of the new costs disproportionately hitting Māori directly.”

“We have an enormous environmental and economic opportunity to use our beautiful but remote whenua as a key part of Aotearoa’s climate action. We can have a nature-positive impact by having more forests, which means better water quality, less soil erosion, and better biodiversity than farmland – all of which these new charges put at risk.”

Forest Owners Association Chief Executive Dr Elizabeth Heeg says these charges could set a dangerous precedent for other ecosystem service markets like biodiversity credits, but also will hamper New Zealand’s ability to transition to a bioeconomy.

“The system should be designed so that polluters pay, rather than penalising the people who are doing the vital work of capturing carbon dioxide. Ultimately all of us as taxpayers will be forced to bear the cost of New Zealand’s failure to meet its climate targets. We are already projected to fall short of the target and the uncertainty created by measures like this just makes for a bigger bill.”

Elizabeth Heeg says the industry also has major concerns about the impacts of the fees on local farmers and landowners, as well as the people who rely on them for jobs.

“The new measures are enough to put some small and medium operators and farm foresters out of business given the wider economic downturn. The chilling effect on forestry will have impacts on our ability to transition to a bioeconomy in coming decades if these charges remain in effect.”

The industry action, which was filed in the High Court on Friday, is seeking a halt to the new fees.

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