



Angry foresters pull planting

Claims that carbon credit grab will lead to huge losses

FORESTRY owners have slammed the Government, claiming a planned "carbon credit grab" has brought tree planting to a halt and threatening huge economic loss for the Waikato region.

The Kyoto Forestry Association (KFA) says the Waikato and central North Island stand to lose more than any other area of the country from Government plans to confiscate Kyoto carbon credits legitimately owned by forestry owners and investors.

Spokesman Roger Dickie says forest owners and investors are saying a firm "no" to the Government's plans and that Waikato people — 20 per cent of whom work in land-based industries — need to join them.

"Waikato and central North Island people need to make clear they will never accept their carbon credits or any other property being confiscated by the Government without compensation," Mr Dickie says.

The KFA calculates that between \$4.5billion and \$6.5billion will be lost to the central North Island as a result of the grab. The calculation is based on MAF data and an estimate carbon credit values will rise to between \$13,000 and \$20,000 per hectare over the life of a forest.

Carbon credits are earned by those who have sequestered carbon through the planting of new trees since 1990 and by those industries which have cut their carbon emissions since then.

In the 1990s Government officials said forestry investors would gain financially from the credits — a clear property right and confirmed as such by Treasury.

As a result 30,000 New Zealanders and forestry companies invested \$400million in new forests expecting gains from sale of wood products and from carbon tax credits.

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However, since the Government indicated it would confiscate the credits tree planting has plunged and New Zealand is experiencing deforestation for the first time in living memory.

"We've now reached crisis point with just 6000 hectares of new forest planted in 2005 compared with 98,000 in 1994.

"The figures for 2006 are not out yet but all the indications are that that they will be hugely in the negative. Virtually nothing is being planted and large areas of forestry are being converted to dairying." Mr Dickie says.

The Government may now renege on its earlier promise to limit carbon credit seizures to the first commitment period of

the Kyoto Protocol (costing forest owners \$2.5billion) and confiscate those of the second period as well, Mr Dickie says.

"For the central North Island and Waikato this means the combined losses are estimated at between \$2billion and \$6.5billion."

"The region simply can't afford to have this huge sum ripped out of its economy by the Government.

Forestry investors say they are puzzled as to why the Government is acting so aggressively against "the one industry capable of storing carbon in the fight against climate change".

"Forestry owners are the good guys, employing around 25,000 New Zealanders, our trees protect the quality of the land, are crucial to the Prime Minister's quest for a carbon neutral New Zealand and are the country's fourth largest export earner.

"We don't understand why the Government thinks confiscating our property and threatening us with new taxes will encourage us to start planting again."