

SUBMISSION



Climate Change Response (Emissions Trading Scheme—Forestry Conversion) Amendment Bill

To: Environment Select Committee
From: Tāmata Hauhā Limited
Date: 4 July 2025

1. Introduction

- 1.1. Tāmata Hauhā Limited welcomes the opportunity to submit on the Climate Change Response (Emissions Trading Scheme—Forestry Conversion) Amendment Bill.
- 1.2. Tāmata Hauhā is actively involved in the restoration, afforestation, and sustainable land use of marginal and under-utilised land, with a particular focus on supporting Maori and the Moriori on the Chatham Islands (Rēkohu/Wharekauri). This includes registration of forests into the New Zealand Emissions Trading Scheme. We work alongside landowners, including indigenous communities, to develop innovative land-use models that support climate goals while also recognising the unique environmental, cultural, and economic context of these remote islands.
- 1.3. Our interest in this Bill is grounded in our on-the-ground experience working with lands that are highly constrained by limited infrastructure, low soil productivity, and historic underinvestment, but that also represent significant opportunities for carbon sequestration and environmental regeneration. The policies proposed in this Bill will directly affect the viability of these efforts.

2. General Position

- 2.1. We are generally supportive of the Bill's intent to manage the expansion of exotic forestry on high-quality farmland, but we have strong concerns about some of the mechanisms proposed—particularly the cap on Land Use Capability (LUC) class 6 land and the conditional exclusion of the Chatham Islands as land that is not mapped in terms of LUC.
- 2.2. However, it disregards alternative forestry models such as agroforestry, apiculture-focused planting, and carbon-native forest integration on LUC 4 and 5, which can maintain agricultural productivity alongside afforestation.

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3. Clause-by-Clause Feedback

3.1. Restrictions on LUC Classes 1–5

- 3.1.1. We are generally supportive of the proposed restriction on registering new post-1989 exotic forestry in the ETS for LUC classes 1–5 following conversion from farmland after 4 December 2024. These are high-value soils with ongoing agricultural potential.
- 3.1.2. However, alternative forestry models, such as agroforestry (defined as the space planting of trees in a manner that allows pastoral farming to continue underneath) utilising common species such as poplars, will be captured under the proposed restrictions unless the activity meets narrow exclusion criteria. In practice, this would prevent many farmers from continuing or expanding land use models on LUC 4 and 5 that are already encouraged, or in some cases required, under regional council planning rules. Productive farmland that does not meet the threshold of “high/severe erosion land” classification can still benefit significantly from strategic tree planting without compromising, and in some cases enhancing, its overall productive capacity. Excluding such land from ETS eligibility, in particular LUC 4 and 5, removes a key incentive and effectively transforms an environmental cost into one with no corresponding benefit to the landowner.

3.2. Cap on LUC Class 6 Land

- 3.2.1. We do not support the proposed annual cap of 15,000 hectares on LUC class 6 land.
- 3.2.2. This cap is too restrictive and fails to recognise that landowners best understand how to sustainably manage and diversify their land use.
- 3.2.3. As a minimum, agroforestry should remain an exempt activity on LUC class 6 land. This land use model is well supported by both research and industry practice. It is widely recognised as one of the most effective methods for achieving erosion control, improving water quality, and supporting animal welfare, while still enabling productive farming. Agroforestry models have been shown to improve the profitability of sheep and beef farms on hill country land. Limiting the eligibility of this approach under the ETS risks undermining a land use practice that directly supports both environmental and economic outcomes and erodes New Zealand’s competitive advantage in sustainable farming systems.
- 3.2.4. The introduction of a cap on the registration of LUC class 6 land would also have material impacts on land valuations, particularly in areas where alternative land use options are limited. While the policy intent may be to

moderate land prices to support new entrants into farming, the effect on current landowners, especially those with lower equity positions, is likely to be adverse. Banks and other lenders may reassess asset values or lending conditions, further constraining investment and creating financial pressure for those already operating in marginal or high-cost environments.

3.3. No Limits on LUC 7 & 8 Land

- 3.3.1. We are supportive of there being no cap on new exotic forestry registrations on LUC class 7 and 8 land. This supports alternative land uses on those not suitable or best suited for traditional agricultural purposes.

3.4. Exemptions and Allowances

- 3.4.1. **Transitional Exemption (2021–2024 Investments):** Supportive. We support broadening the definition of “qualifying investment” to include legitimate planning and capital expenses that show clear intent.
- 3.4.2. **25% Farm-Level Cap on LUC 1–6:** Generally supportive. However, this approach penalises smaller landholders, who may not meet the threshold to make a viable forestry investment. This concern reinforces our objection to the LUC 6 cap.
- 3.4.3. **Exemption for ‘Unfarmed Land’:** Request clarification. Definitions must be clear and consistently applicable.
- 3.4.4. **Māori Land Exemption:** Supportive with amendments. In general, this position makes afforestation on Māori land more attractive and better supports Māori economic development. However, it does not support the indigenous people of the Chatham Islands. Moriori land is not classified as Māori land under Te Ture Whenua Māori Act, meaning it would be excluded from an exemption designed to protect indigenous landowners. A solution to this is proposed under item 3.4.8.
- 3.4.5. **High/Severe Erosion Land Exemption:** Supportive. The use of this exemption is an appropriate mechanism to encourage afforestation on land where ecological resilience and erosion control are critical. However, limiting eligibility to land identified in regional or district plans creates practical implementation challenges. Plan change processes are often slow, resource-intensive, and infrequent, meaning that the information used may be outdated or incomplete. As a result, this approach risks under-capturing erosion-prone areas that should, in principle, qualify for the exemption.
- 3.4.6. **Crown-Owned Land Exemption:** Supportive.

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3.4.7. **Offsetting Allowance:** Supportive.

3.4.8. **Qualifying Forestry Investment:** Supportive, with amendments as below in 3.4.8.1 for clarity purposes and ensuring that due diligence is represented fully.

3.4.8.1. “(e) any investment in preparation for afforestation has been made, for example ordering seedlings, undertaking Emissions Trading Scheme (ETS) eligibility assessments including afforestation scenario projects or undertaking land preparation for forestry”

“(g) a third party has been contracted to undertake due diligence for the purposes of –
(i) afforesting land; or
(ii) purchasing land with the intent to afforest it; or
(iii) assessing the ability to register forest on the land in the ETS.”

3.4.9. **Exemption for Unmapped Land:** We are **supportive in principle** but believe this provision does **not go far enough**. The Chatham Islands are a clear example of where a **blanket exemption** is not only justified but essential.

3.4.9.1. The land on the Chathams is extremely limited in productive capacity. Soil quality is poor, infrastructure constraints are significant, and climate conditions are harsh. Much of the land has never been actively farmed in a commercial sense, and large portions are ecologically degraded or erosion-prone.

3.4.9.2. Mapping LUC on the Chathams is unrealistic and cost-prohibitive, and there are doubts as to where the LUC classification can appropriately encapsulate the unique land use challenges of the Chathams.

3.4.9.3. Moriori land on the islands does not qualify for the Māori land exemption under the current provisions, despite being managed communally and facing the same structural challenges.

3.4.9.4. For these reasons, the “unmapped land” exemption should be **amended to provide a full, enduring exemption for the Chatham Islands**, regardless of whether LUC classification is later undertaken. The current definitions and exemptions as proposed create a state of regulatory limbo for landholders and is inconsistent with the reality of land use on the islands.

3.5. Indigenous Forest & 31 October 2025 Threshold

- 3.5.1. We are supportive of the exclusion of indigenous forest and pre-existing post-1989 exotic forest from these changes.

3.6. Permanent Nature of Restrictions

- 3.6.1. We note that what was initially signalled as a three-year moratorium now appears to be permanent. While we hold no strong opinion, we urge regular review of these restrictions to ensure they remain fit for purpose and respond to evolving climate and land-use dynamics.

3.7. LUC 6 Ballot System

- 3.7.1. We are supportive of replacing the “first-in, first-served” system with a randomised ballot and of reserving allocations for “small applications” to protect the viability of small-scale landowners. However, there should be a formalised preference for projects that hold biodiversity value or mixed plantings rather than that of pine monocultures that are planted for ‘permanent’ purposes.
- 3.7.2. We urge urgent clarity on the ballot application process. It must be simple, fair, and not administratively burdensome, or small landowners will be disadvantaged.
- 3.7.3. Ballot regulations are yet to be drafted—this creates uncertainty and limits investor confidence.
- 3.7.4. Regulations should include clear communication, low compliance costs, and transparency.

3.8. LUC 6 Permit System

- 3.8.1. We note the permit expiry period (three years) and limited ability to seek extensions. This does not account for real-world delays (e.g. consents, contractor shortages, or market conditions).
- 3.8.2. We recommend broadening the grounds for permit extension to include regulatory delays and economic disruptions.
- 3.8.3. Regarding Regulation 190KU: We question why transferability is an issue. As long as no more land than permitted is registered, why prevent permit transfer? Is the intention to stop speculative on-selling? If so, that should be addressed directly, without harming flexibility in legitimate cases such as succession planning or property sales.

4. Conclusion and Recommendations

In summary:

- 4.1. We support measures that protect high-value farmland (LUC 1–5) and encourage responsible land use. However, we note that LUC 4 & 5 land still benefits from alternative forestry models such as agroforestry and would suggest this is incorporated as an exemption.
- 4.2. We oppose the LUC 6 cap as we consider it overly restrictive and economically disruptive for many rural landowners. It also inhibits practicable and farm friendly solutions such as agroforestry.
- 4.3. We request greater clarity on definitions and ballot implementation details.
- 4.4. We request amendment of the “qualifying forestry investment” definition to more accurately represent those investments made prior to afforestation.
- 4.5. **We support the exemption for Māori and Crown land and call for a permanent exemption for the Chatham Islands.**
- 4.6. We encourage flexibility in permit timeframes and transfers to support practical land management realities.

We appreciate the opportunity to submit and would welcome the chance to speak to this submission.

Ngā mihi,



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