

Tree plan only on marginal land

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A COMPANY established by four of the country's largest carbon emitters is vowing to buy only marginal land on which to plant in trees to offset their greenhouse gas emissions.

Drylandcarbon was formed in March by Air NZ, Contact Energy, Genesis Energy and Z Energy to sequester carbon on their behalf but executive director Ant Beverley says they acknowledge the concerns of rural communities that jobs and services are lost when farmland is converted to forestry.

The firm could buy 20,000ha to 30,000ha to plant in a mix of permanent and logging forests to generate NZ Units to offset their emissions.

What land is used as a permanent sink and what land is logged depends on where it is.

It has contracted or made offers to buy farms or to enter into joint ventures with landowners to plant trees but he declined to say where or how much.

However, he says they want to plant only marginal land and on several farms that are under contract to buy.

The better-quality land has been subdivided to enable livestock farming to continue.

The firms are sensitive to the social and economic concerns of rural communities who fear corporates buying livestock farms for forestry resulting in the loss of jobs, people and services.

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But the reality is some land is marginal and costs more to maintain than it generates and that is the land targeted by Drylandcarbon.

Pine is the main species initially being planted but Beverley says plans are under way to use other species including indigenous for



GOING GREEN: Air NZ is in a consortium with Contact Energy, Genesis Energy and Z Energy to plant trees to offset greenhouse gas emissions.

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Ant Beverley Drylandcarbon

permanent forest.

"NZ Inc needs carbon sinks out of forestry and that means exotic but long term we are looking at indigenous," he says.

Air NZ is one of the country's single largest users of fossil fuel, contributing 4% of NZ's greenhouse gas emissions and it is steadily rising.

Its sustainability report says

emissions peaked at nearly 3.6 million tonnes of carbon dioxide equivalent in 2018, an increase of 20% from 2011.

But only domestic fuel emissions, about 600,000 tonnes, are accounted for in NZ's greenhouse gas emissions inventory.

Under the international Kyoto Protocol agreement, emissions from international aviation and shipping are excluded from national totals.

Statistics NZ says the country produced 80.9m tonnes of carbon dioxide equivalent in 2017, of which 39m tonnes or 48% came from agriculture.

Globally, civil aviation accounts for 4-5% of total greenhouse gas emissions and is increasing.

Air NZ says it is investing in new aircraft that are 20% more fuel efficient than those they

are replacing and measures introduced since 2009 have reduced fuel use by 20%.

"But the reality is there will be a limit to the efficiencies we can make, which makes offsetting hugely important to balance some of the impact of air travel," it said.

Overseas Investment Office data shows international forestry investors have been active this year, with approvals granted for the sale of five livestock properties covering nearly 6000ha from Masterton to Northland.

All were given approval under the OIO's special policy introduced by the Government to encourage foreign-owned forestry investors.

The Accident Compensation Corporation (ACC) has also entered the afforestation programme, paying \$5.7m for a

1500ha farm at Raes Junction in Otago last October.

A spokesman said that is ACC's only purchase of land to be converted to forestry but it has not ruled out further investments.

ACC has contracted Crown Forestry, a commercial entity that manages the Crown's commercial forests, to manage the property.

The Otago buy is consistent with the ACC's investment policy in which it has \$40 billion in assets, with the income generated used to meet the future costs of claims.

The NZ Super Fund has two NZ forestry investments, a 42% stake in the 190,000ha Kaingaroa Estate and less than 10% in a 10,000ha forest managed by the Global Forest Partners Fund.

It has no investments in farmland to be converted to forestry.