



WELCOME TO THE **NOVEMBER 2016** SUSTAINABLE FORESTRY BULLETIN

This edition has information on:

- » End of the mandatory emissions return period
- » Offsetting pre-1990 forest land
- » Amended forestry Sector Regulations
- » ETS review Update
- » Paris Agreement ratified

For any further information on the material below,
please contact MPI on **0800 CLIMATE (254 628)** or at
climatechange@mpi.govt.nz.

NOVEMBER 2016

SECOND MANDATORY EMISSIONS RETURN PERIOD COMING TO A CLOSE

The current Mandatory Emissions Return (MER) period for the Emissions Trading Scheme ends on 31 December 2017. All participants that have registered post-1989 forest land in the ETS are required to submit a MER between 1 January and 30 June 2018. The MER covers the period 1 January 2013 – 31 December 2017.

START YOUR MEASUREMENTS NOW

Post-1989 forestry participants that are subject to the Field Measurement Approach (FMA) must complete a set of forest measurements for the current MER. However, participants should first check they have an up-to-date plot set before they commence measurement.

REGISTER YOUR POST-1989 FOREST LAND

If you wish to register post-1989 forest land in the ETS or add forest land to your existing registration, then please submit your applications to MPI as soon as possible. This will allow MPI sufficient time to process your application, and for you to complete any required Field Measurement Approach measurements before the end of 2017.

PRE-1990 OFFSETTING FOREST LAND

MPI has received an increase in applications to offset the deforestation of pre-1990 forest land. If you are thinking of offsetting pre-1990 deforestation liability, please ensure

applications are submitted promptly to avoid delay with assessment. Further information on offsetting can be found [here](#). The pre-1990 forest land offsetting application form can be found [here](#).

EXEMPTIONS FOR DEFORESTATION OF LAND WITH TREE WEEDS

Applications to get an exemption for liability for the deforestation of pre-1990 forest land containing tree weeds are currently being accepted by MPI. Once approved, a tree weed exemption allows land owners to deforest specific areas of pre-1990 forest land comprised of tree weeds without a liability under the Emissions Trading Scheme.

Deforestation of the land must be commenced within 24 months of the date of notification of the exemption and must be completed by the end of 31 December 2017. The application period is open until the end of December 2017. If you wish to lodge an exemption, please ensure you have sufficient time to complete the deforestation work.

FORESTRY SECTOR REGULATIONS

Amendments to the **Climate Change (Forestry Sector) Regulations**, and to the **FMA Standards** have recently been made. These amendments are effective from 1 January 2017 and include three minor and technical changes. These changes include the following:

- » Clarification of the rules related to forestry sub-areas.
This amendment aims to clarify calculation methodology

for harvesting residues, removal of land from a Carbon Accounting Area (CAA), pre-1990 offsetting forest land applications, and calculation of discrete forest areas.

- » Clarification of the tree age definition; which aims to remove potential ambiguity in determining tree age for pre-1990 and post-1989 forest land.
- » Clarification of the sub-area definition; which aims to remove potential ambiguity associated with unit balance calculations and rounding based on forest area, carbon emissions and removals.
- » Some improvement to the operation of the 'Field Measurement Approach' (FMA); The FMA applies to participants who have 100 or more hectares of post-1989 forest land at any time during a mandatory emissions return period.

EMISSIONS TRADING SCHEME REVIEW

MPI and MfE are progressing stage two of the ETS Review. Key issues that are currently being worked on include:

- » developing options for potential changes to accounting approaches for post-1989 forestry in the ETS;
- » technical and operational improvements to how forestry is administered in the ETS;
- » any opportunities to better align the ETS with other forestry programmes.

A Climate Change Forestry Reference group has been set up and will be involved with developing various options formed by officials as part of the ETS review. Working with this Reference Group does not replace formal consultation and officials look forward to gaining multi-stakeholder perspectives as policy options aimed at improving the ETS are developed.

The summary of submissions on stage two of the Review has been made available on the Ministry for the Environment's

website. [See the link for the [Ministry for the Environment's website](#)]

The public can submit ideas for the Climate Change Forestry Reference group to discuss by emailing climatechange@mpi.govt.nz. Please note in the subject line that your email is for the group to consider.

SUBMISSIONS ON STAGE TWO OF THE ETS REVIEW

Consultation on stage two of the review asked stakeholders for their views on a broad range of issues, but did not include any policy proposals. Submissions reinforced that stakeholders want a clear and stable policy direction and continued engagement with the Government on the ETS. The Ministry for the Environment and the Ministry for Primary Industries are now focussing on a number of key issues that were raised during stage two consultation.

Key themes of the submissions from the consultation on stage two were:

- » the need for regulatory or policy certainty across all sectors in the ETS;
- » the need for a long-term plan for how the ETS will help New Zealand meet its emission reduction targets;
- » forestry submitters said that a stable NZU price that incentivises forestry investment is needed, and emphasised that stability in ETS settings is important for their sector.

NEW ZEALAND RATIFIES THE PARIS AGREEMENT

New Zealand has now ratified the Paris agreement. As a result, New Zealand will now be responsible for reducing greenhouse gas emissions by 30 per cent below 2005 levels by 2030. Due to early ratification, New Zealand will have input into the decision making process for matters relating to the Paris agreement.