



WELCOME TO THE **MAY 2015** SUSTAINABLE FORESTRY BULLETIN

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CHANGES TO UNITS USED TO PAY ETS OBLIGATIONS

From 1 June 2015, all New Zealand ETS emissions obligations must be paid using New Zealand Units (NZUs). For forestry participants this means forestry activity in 2015 which results in emissions obligations must be paid for with NZUs in 2016. For example, if you clear post-1989 forest land in 2015 and submit an emissions return in 2016 you will need to pay the obligations with NZUs. Similarly, you must pay NZUs for deforestation of pre-1990 forest that occurs in 2015.

USING INTERNATIONAL UNITS TO MEET 2014 EMISSIONS

If you are intending to use international units to meet your obligations for emissions that occurred in 2014 or earlier you should have already submitted the necessary emission return. If you have not done so please contact MPI immediately. Any outstanding emissions returns will need to be submitted at the latest a week prior to the May 31 deadline to allow for checking and processing before the units are surrendered.

If units are not paid by 31 May you must meet your obligation with NZUs, regardless of when you cleared your post-1989 forest or deforested your pre-1990 forest.

OFFSETTING ETS OBLIGATIONS

If you are planning to deforest pre-1990 forest, you may like to consider establishing a forest elsewhere to offset your ETS obligations. Forest land established to offset deforestation liabilities must:

- » be at least the same area as the deforested area;
- » achieve the same carbon stocks as the deforested area within a specified timeframe;
- » be established by direct planting or direct seeding on land that is currently eligible for post-1989 forest planting in the ETS;
- » cannot be registered in the ETS as post-1989 forest and earn credits in the ETS.

Pre-1990 forests harvested before 2013 will also be eligible for offsetting provided these areas were not harvested more than four years ago and have not already been converted to another land use. Please note offsetting forest land cannot be registered in the ETS as post-1989 forest and earn carbon credits.

For more information consult the **MPI guidance** material, contact MPI on **0800 CLIMATE (254 628)** or email at climatechange@mpi.govt.nz.

NEW ETS GUIDANCE MATERIAL

MPI has produced a new series of ETS factsheets. These provide plain English guidance for ETS forestry participation. They are available on the **MPI publications database** by filtering by subject field to "Emissions Trading Scheme".