

New Zealand Emissions Trading Scheme (NZ ETS) Draft Legislation

The Climate Change (Emissions Trading and Renewable Preference) Bill is the legislation that, if passed into law, will establish the New Zealand Emissions Trading Scheme. The draft legislation is currently before the Finance and Expenditure Select Committee, which received more than 260 public submissions about various aspects of the Bill and is currently considering these and hearing oral submissions. It has set aside until the middle of May for this process.

After hearing and considering the public submissions, the Select Committee will make detailed recommendations on the content of the Bill, which are then reported back to Parliament prior to MPs voting on whether it should be passed into law.

- › To read the Bill in its current form, [click here](#).
- › To view a list of submissions, [click here](#).

Consultation on draft forestry regulations under the NZ ETS

The Government – through MAF – will soon begin consultation on the draft forestry regulations that sit under the legislation mentioned above. Regulations provide more detailed guidance about how a given piece of legislation will operate in practice and about the “machinery” for forest owners to follow.

The draft forestry regulations cover two aspects – established before 1990 (pre-1990 forests), and forests established after 1989 (post-1989 forests). Unless exempted, all pre-1990 forests will be compulsorily included in the NZ ETS, whereas owners of post-1989 forests can choose to participate.

The draft regulations for pre-1990 forests were publicly released in February – at that stage for information only and to better inform the submissions to the Select Committee about the legislation.

MAF will shortly be calling for submissions on the draft regulations for both pre-1990 and post-1989 forest land. When this consultation begins, the draft regulations, along with a commentary explaining what the regulations mean and how to make a submission on them, will be distributed to you electronically via this Sustainable Forestry Bulletin. They will also be available from the MAF website:

www.maf.govt.nz/climatechange/legislation

- › If you would like to receive a printed copy of the commentary and the regulations, please email: climatechange@maf.govt.nz.

Welcome to the first issue of the Ministry of Agriculture and Forestry's new Sustainable Forestry Bulletin

The purpose of this bulletin is to keep you up to date with information about MAF's sustainability and climate change schemes that relate to forestry. It will contain news on topics such as the New Zealand Emissions Trading Scheme (NZ ETS) for forestry, the Permanent Forest Sink Initiative (PFSI), the Afforestation Grant Scheme (AGS), the East Coast Forestry Project (ECFP) and news from the Indigenous Forestry Unit (IFU).

Each edition of the bulletin will cover a range of topics, which will be listed on the first page so you can see the items that interest you most.

In this issue we have stories about:

- New Zealand Emissions Trading Scheme (NZ ETS) draft legislation.
- Consultation on the draft forestry regulations under the NZ ETS.
- Launch of the Afforestation Grants Scheme.
- News about the Permanent Forest Sink Initiative.
- Indigenous Forestry Unit.
- East Coast Forestry Project - funding applications for erosion control.
- How does it all fit together?
- Appointment of a new Programmes Director.

Launch of the Afforestation Grants Scheme

The Afforestation Grants Scheme (AGS), which was announced last year by the Government as part of its package of climate change initiatives, has now been launched. The scheme, which is administered by MAF, is a contestable fund aimed at encouraging more forestry planting. It offers an alternative to the proposed New NZ ETS as a way to encourage greater levels of greenhouse gas absorption by increasing the area of Kyoto-compliant new forest in New Zealand.

There are two funding components under the AGS. Half of the funding will be available to Regional Councils to help them meet their sustainable land management objectives. The other half will be available to the general public via a public tender pool.

The majority of this public funding pool (70 percent) will be allocated to species that have high sequestration rates. These will be the usual exotic plantation species such as *pinus radiata* and Douglas fir.

The remaining 30 percent of these public funds will be reserved for species with low carbon sequestration rates. This is as a result of public interest in planting indigenous species, which have low carbon sequestration rates.

> To download a copy of the *AGS Guidelines*, [click here](#).

Permanent Forest Sink Initiative

The Permanent Forest Sink Initiative (PFSI) was launched in December 2007 and applications for registration can be made.

The PFSI allows landowners to get the economic value of removing carbon dioxide from the atmosphere and storing it in permanent forests, by providing an opportunity for landowners to establish permanent forest sinks and obtain tradable Kyoto Protocol compliant emission units in proportion to the carbon sequestered in their forests.

To be eligible for this initiative the land must not have been covered in forest as at 31 December 1989 and some form of active management is required in establishing the forest. Limited harvesting of the forests established under this initiative is allowed on a continuous canopy cover basis, but clear-fell plantation forests are not intended for the PFSI.

> The full Guidelines for the PFSI will be available shortly. You will be advised in the next issue of this bulletin when they are ready and how to get a copy. In the meantime, if you are interested, information on the PFSI is available at www.maf.govt.nz/climatechange/initiatives or contact Pat Hawinkels on 029 213 405.

Indigenous Forestry Unit

The Indigenous Forestry Unit (IFU) administers the sustainable forest management provisions of the Forests Act 1949. The IFU has completed an update of publications to guide the public. The publications include:

- **Indigenous Forestry on Private Land** – an A4 brochure that describes the various options for managing indigenous forests, harvesting and milling indigenous timber, and exporting indigenous sawn timber and indigenous timber products
 - **Milling Indigenous Timber in Accordance with Personal Use Approvals and Milling Certificates** – an A4 brochure that lists the various sources of indigenous timber that may be milled and explains the process to be followed when seeking an approval
 - **Indigenous Forestry Sustainable Management: A Guide to Preparing Draft Sustainable Forest Management Plans, Sustainable forest Management Permit Applications and Annual Logging Plans** – an A5 booklet outlining the information required for draft plans and permit applications
 - **Standards and Guidelines for the Sustainable Management of indigenous Forests** – a 219 page A5 ring-bound handbook that presents the procedures and practice standards for sustainable management in accordance with Part 3A of the Forests Act 1949. The current edition incorporates findings from recent operational research projects funded by MAF.
- > All of the publications can be viewed as HTML on MAF's website www.maf.govt.nz or downloaded as a PDF. Alternatively, hard copies are available from the IFU's offices in Christchurch (03) 943 3700, and Rotorua (07) 921 3400.
- > Application forms for Personal Use Harvesting and Milling and Other Milling Statements (e.g. windthrown or salvaged timber) can also be downloaded from MAF's website: www.maf.govt.nz/forestry/indigenous-forestry/

East Coast Forestry Project – funding applications for erosion control

A reminder that applications for funding under the East Coast Forestry Project (ECFP) for large erosion control treatments over 50 hectares in the Gisborne District close 30 April. Approved treatments include plantation forestry, indigenous reversion (retirement) and on-farm pole planting.

Under the ECFP, MAF can approve up to \$6.5million each year for erosion control treatments. Since it was established in 1993, the ECFP has funded such treatments for just under 33,000 hectares.

How does it all fit together?

If you are wondering how all of these forestry schemes fit together, we have produced a decision-making flowchart to show how the schemes relate to help you make decisions.

- › [Click here](#) to download a copy of the flowchart.

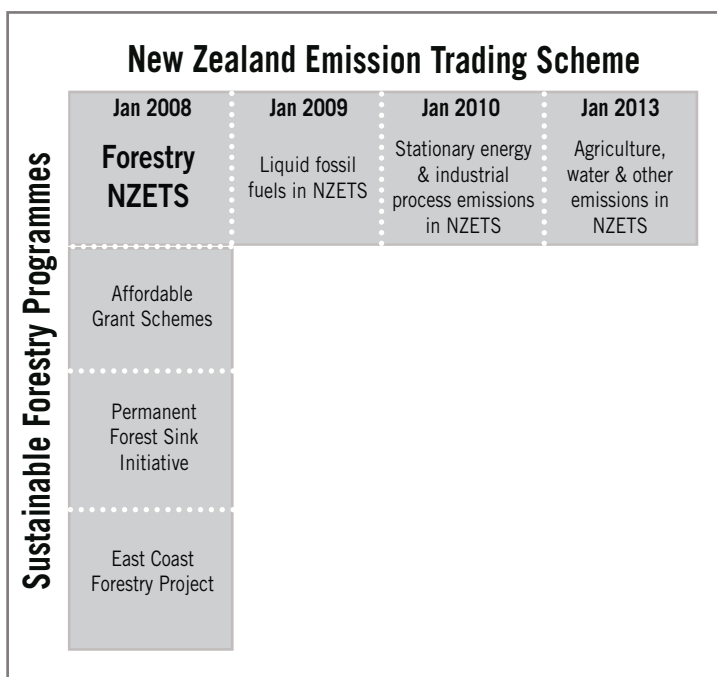
Please bear in mind that aspects the final NZ ETS may differ from what is shown, depending on the recommendations of the Select Committee and the decisions made by Parliament on the legislation.

- › We have also prepared some **Frequently Asked Questions and Answers** about forestry in the NZ ETS, which you might like find useful. You can access these by [clicking here](#).

(The Directorate's aim is to provide a simple and user friendly experience for foresters and landowners choosing to participate in these programmes. The NZ ETS, the PFSI and the AGS create a strong economic incentive for owners of pre-1990 forests to retain their forests and encourage further conversions of marginal land to forests, especially when there are potential co-benefits such as the stabilisation of erosion prone land.

Clive's role at MAF follows a distinguished and wide-ranging military career spanning approximately 35 years. His background has provided him with significant operational, strategic and relationship management experience to the role and he is keen to contribute to a significant and important area of public policy implementation.

Clive was born in Ashburton and prior to joining the Army, he spent some time working on farms of various kinds. He is married with two adult children.



Help us to keep you informed

The *Sustainable Forestry bulletin* is all about keeping you and others with an interest in forestry informed, so please feel free to forward it on to others who might be interested and ask them to sign up if they receive it directly in future. They can sign up by emailing climatechange@maf.govt.nz with **Sustainable Forestry bulletin subscription** in the subject line.

And if you have any questions relating to anything in this bulletin or other forestry matters, please email your inquiries to: climatechange@maf.govt.nz. If your questions are about details of the NZ ETS for forestry, please bear in mind that there are aspects of the scheme that are still to be determined by the select committee and by Parliament, so we do not have all of the answers at this time – but we will keep you up-to-date as decisions are made and information becomes available.

Appointment of new Programmes Director

MAF's new Programmes Director Clive Lilley took up his position on 25 March.

The Programmes Directorate was established earlier this year and brings together the operational aspects of MAF's sustainability and climate change activities. These include the Indigenous Forest Unit (IFU), the East Coast Forestry Project (ECFP), the Permanent Forest Sinks Initiative (PFSI), the Afforestation Grant Scheme (AGS), as well as the forest specific aspects of the New Zealand Emissions Trading Scheme (NZ ETS). These programmes are central to Government's plans to reduce carbon emissions.