



**Submission on:** Improvements to the New Zealand Emissions Trading Scheme and  
A Better ETS for Forestry – Proposed amendments to the Climate Change Response Act 2002

**From:** Rod Donald Banks Peninsula Trust

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**Organisation type:** Other – Charitable Trust concerned with conservation and recreation on Banks Peninsula

**Date:** September 21, 2018

## Background

The Rod Donald Banks Peninsula Trust is a CCO of the Christchurch City Council. It has objectives to promote sustainable management and conservation on Banks Peninsula and to support environmental projects that facilitate public access and the reinstatement of native vegetation and enhancement of native biodiversity.

Prior to its settlement by Europeans, Banks Peninsula was predominantly covered in native forest. As a result of timber milling followed by fires to clear land for pasture, this was reduced to 1.2% coverage in fragmented remnants by the 1920s. Since that low point there has been a significant regeneration of native vegetation, seeded from remnant sources and able to take hold in lightly grazed pasture or under nurse crops of gorse and broom. This demonstrates the potential for Banks Peninsula to act as a large carbon sink based on native forest regeneration.

Much of the land on Banks Peninsula is marginal farmland – steep, hard to access and erosion prone. It is not ideal for planting in exotic rotational forestry, and the Peninsula has seen its share of erosion problems after pine forest harvest.

There is strong community support for further native forest restoration on Banks Peninsula. Hinewai Reserve in the south-eastern corner serves as a model for how native forest can rapidly regenerate on marginal gorse covered land when appropriately managed with fencing to exclude stock, eradication of feral herbivores and some pest and weed control. Several other trusts including Native Forest Restoration Trust, Josef Langer Trust, Orton Bradley Park and Living Springs Trust are using the same methodology. Many private landowners are also protecting native biodiversity on their properties. In 2003 the Banks Peninsula Conservation Trust became the first non-government organisation able to place conservation covenants on land titles since the formation of QEII Trust 40 years earlier. Banks Peninsula Conservation Trust now administers 66 covenants protecting 1343ha of private land, with 20 further covenants in progress. There are also many QEII covenants on Banks Peninsula.

### **Landscape scale change with Permanent native forest principally through regeneration**

The challenge going forward is how to facilitate high quality native forest regeneration on a **landscape** scale to provide a **major carbon sink** for Canterbury.

There is a growing awareness that carbon credits have the potential to provide income to offset the costs involved in native forest restoration and therefore incentivise the process, but much confusion over the complexity of the current systems and frustration over the barriers to participation.

There is also a great deal of concern that the ETS could push high rotation exotic forestry into marginal areas that would be much better suited to native regeneration if the appropriate pricing and incentives for native regeneration are not included.

## **Submission**

Our submission is focussed on measures to:

- Incentivise landowners to use land for native forest by participating in the ETS. We support moves to allow the price of NZUs to rise with the market, and to require emitters to offset all of their emissions to maximise demand for NZUs;
- simplify entry and participation for land regenerating into native forest;
- recognise credits derived from forest land that is protected in perpetuity with conservation covenants on the land titles and managed to maximise biodiversity to enable them to command a premium price

## **Consultation questionnaires**

We include in the pages below answers to relevant questions on both the “Improvements to the New Zealand Emissions Trading Scheme” and “A Better ETS for Forestry – Proposed amendments to the Climate Change Response Act 2002” consultations.

## **Additional points**

In addition to the matters consulted on we would like more emphasis in the Climate Change Response Act and the ETS on the potential for natural regeneration to create large carbon sinks, particularly on difficult to access and erosion prone marginal land, and to provide clear incentives to encourage landowners toward this land use. Natural regeneration has relatively low labour and setup costs, and is therefore more likely to occur at a landscape level of change if entry into the ETS is easier and regeneration of marginal land becomes a financially attractive option as a result.

We submit that carbon sinks based on permanent native forest hosting the full range of native biodiversity endemic to the area will avoid the negative impacts of exotic rotational forestry on marginal land such as erosion and wildings, and bring many eco-system benefits such as improved land stability and water quality. The value of permanent biodiverse forest in preventing erosion and water retention will become increasingly critical as climate change increases the frequency and intensity of storm events and droughts. Such permanent biodiverse forests should also be more resilient to wind damage and diseases than monocrop plantations.

We suggest the following measures are added to the Climate Change Response Act or ETS to incentivise permanent native forests managed for biodiversity:

- Recognition and differentiation of units derived from permanent native forest protected in perpetuity with conservation covenants on land titles and with management plans aimed at promoting biodiversity, such as QEII and Banks Peninsula Conservation Trust covenants. This would create a third top tier of credits in addition to rotational and permanent forest allowing these credits to command a higher premium in recognition of the commitment to permanence and the many other benefits of maximising native biodiversity.
- Introduce a price floor for permanent forests to protect those people who have put land into permanent forest and encourage permanent forest development
- Provision for assistance and advice from Te Uru Rākau to landowners on
  - how to register land set aside for permanent native forest with the ETS,
  - management methods to maximise regeneration and growth (particularly on ungrazed pasture, potentially including some level of eco-sourced native planting)
  - earn NZUs as early as possible in the process, and

- qualify for other types of grants and incentives.
- Work with covenanting organisations such as Banks Peninsula Conservation Trust and QEII Trust to enable them to aggregate the covenanted blocks and register as a group entity to minimise the work and costs involved with registration and measurement. This may also enable them to help fund the work of the covenanting organisation through retaining some or all of the credits earned.
- Provide grant assistance for the protection of land with old growth remnants with conservation covenants on land titles and associated management plans to protect and nurture the valuable seed sources that they provide.
- Incentivise covenants on such protected remnants to extend over adjacent land managed for maximising regeneration, so that these areas can then register under the ETS as post 1989 permanent forest and enable an income from NZUs to support the land use.
- Incentivise the conversion of marginal land that has a native seed source within 1km to register under the ETS as permanent native forest provided it has adopted a management regime to encourage native regeneration, such as under woody species like gorse or scrub, in conjunction with a relatively low level of eco-sourced native planting in open pastureland, or growth of bracken to speed the conversion to forest.

We wish to thank Ministry for the Environment and Te Uru Rukao for developing helpful consultation documents and running the public sessions.

We wish to be heard in support if there are hearings, hui, or other opportunities for follow up.

Please see the following pages for our answers to the questions in the “Improvements to the New Zealand Emissions Trading Scheme” and “Better ETS for Forestry - Proposed amendments to the Climate Change Response Act 2002” consultation documents.

# Improvements to the New Zealand Emissions Trading Scheme

## 1) SUBMISSION FORM

The New Zealand Emissions Trading Scheme (NZ ETS) was established in 2008 to support New Zealand to meet its international climate change targets and reduce greenhouse gas emissions below business-as-usual levels. It does so by putting a price on greenhouse gas emissions and removals.

The Government seeks feedback on a range of proposals to improve the NZ ETS. The proposals are outlined briefly in the summary and in further detail in subsequent chapters of the *Improvements to the New Zealand Emissions Trading Scheme* consultation document.

**Submissions close at 5.00 pm on 21 September 2018.**

## 2) Making a submission

You can provide feedback in three ways.

Use the online submission form available on our [website](#). This is our preferred way to receive submissions.

Complete this submission form and send to us by email or post.

Write your own submission and send to us by email or post.

If you are posting your submission, send it to NZ ETS improvements, Ministry for the Environment, PO Box 10362, Wellington 6143 and include:

NZ ETS improvements

your name or name of the organisation you represent

postal address

telephone number

email address.

If you are emailing your submission, send it to [etsconsultation@mfe.govt.nz](mailto:etsconsultation@mfe.govt.nz) as a:

PDF

Microsoft Word document (2003 or later version).

### 3) Publishing and releasing submissions

All or part of any written submission (including names of submitters) may be published on the Ministry for the Environment's website [www.mfe.govt.nz](http://www.mfe.govt.nz). Unless you clearly specify otherwise in your submission, we will consider that you have consented to website posting of both your submission and your name.

Contents of submissions may be released to the public under the Official Information Act 1982 following requests to the Ministry for the Environment (including via email). Please advise if you have any objection to the release of any information contained in a submission and, in particular, which part(s) you consider should be withheld, together with the reason(s) for withholding the information. We will take into account all such objections when responding to requests for copies of, and information on, submissions to this consultation under the Official Information Act.

The Privacy Act 1993 applies certain principles about the collection, use and disclosure of information about individuals by various agencies, including the Ministry for the Environment. It governs access by individuals to information about themselves held by agencies. Any personal information you supply to the Ministry in the course of making a submission will be used by the Ministry only in relation to the matters covered by this consultation. Please clearly indicate in your submission if you do not wish your name to be included in any summary of submissions that the Ministry may publish.

## 4) Submission form

The questions below are a guide only and all comments are welcome. You do not have to answer all the questions. To ensure your point of view is clearly understood, please explain your rationale and provide supporting evidence where appropriate.

## 5) Contact information

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Submitter type*	Individual	<input type="checkbox"/>	
	NGO	<input type="checkbox"/>	
	Business / Industry	<input type="checkbox"/>	
	Local government	<input type="checkbox"/>	
	Central government	<input type="checkbox"/>	
	Iwi	<input type="checkbox"/>	
	Other (please specify)	<input checked="" type="checkbox"/>	Charitable Trust

\* Questions marked with an asterisk are mandatory.

## 6) Questions

1. What issues should the decision maker consider when making unit supply decisions? (Select all that apply.)

- proper functioning of the ETS ☒
- New Zealand's projected emission trends ☒
- number of NZUs expected to be allocated ☒
- emissions covered by the ETS ☒
- arrangements that govern the operation of the ETS ☒
- any limit on international units ☒
- emissions budgets, such as those proposed in the Zero Carbon Bill ☒
- recommendations from the independent Climate Change Commission proposed in the Zero Carbon Bill ☒

- agreements or arrangements regarding international emissions reductions ☒
- non-ETS climate change mitigation policies ☒
- modelling of New Zealand's domestic abatement potential and costs ☒
- forestry reporting periods ☒
- forecasts of international carbon prices ☒
- inflation rates ☒
- other (please explain). ☐

[Click here to enter text.](#)

What, if any, restrictions should be placed on the NZ ETS decision maker when making unit supply decisions? (For example, currently one year's notice must be given for changes to unit supply volumes.)

Ensure that the supply will not undercut the current carbon price to the benefit of emitters and at the expense of foresters

Do you agree with the proposal to implement a single-round, sealed bid auction format with uniform pricing? If not, why not?

- ☒ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you think that auctioning frequency should be:

weekly (*not preferred*) (please explain) ☐

[Click here to enter text.](#)

monthly (please explain) ☐

[Click here to enter text.](#)

quarterly (please explain) ☒

Quarterly would be sufficiently frequent to align with other business planning, and would take seasonal variation into account, but would not be so frequent to impose an unnecessary administrative burden.

annually (*not preferred*) (please explain) ☐

[Click here to enter text.](#)

other (please explain). ☐

[Click here to enter text.](#)

Do you agree with the proposal that all NZ ETR account holders should be able to participate at auction? If not, why not?

- ☒ Yes

- ☐ No
- ☐ Not sure

Allowing other ETR account holders to participate at auction means the secondary market (e.g. voluntary emission management schemes) can expand their reach. The secondary market is important because it is a bottom-up approach that further drives emission reductions by responding to consumer demand for action.

Do you think that the Government should use the proceeds gained from the auctioning of NZUs for specific purposes? If so, please explain what those purposes would be.

- ☒ Yes
- ☐ No
- ☐ Not sure

Developing further climate change mitigation measures or adaptation measures that supported mitigation, including providing investment funds for clean energy and zero emitting transportation technologies. This amplifies the effect of the ETS by directly redirecting funds.

Do you agree with the proposal to replace the \$25 fixed priced option with a cost containment reserve price ceiling implemented through the auctioning mechanism?  
If not, why not?

- ☒ Yes
- ☐ No
- ☐ Not sure

The fixed price option (FPO) is a non-market based intervention that is open to political interference. A CCR can be implemented with clear rules based on market conditions, and is therefore a market mechanism rather than an intervention, and guarantees stability over the long term.

How do you think the price level and number of units in the cost containment reserve should be managed over time? (Note: specific settings will be consulted on later.)  
(Select all that apply.)

decision maker has discretion to determine the settings while having regard to certain factors (please explain)

There is a high risk associated with mandated formulae failing to meet the requirements of the market as the climate change situation rapidly unfolds. This option protects the Government's ability to respond to this risk.



settings are determined by mandated formulae (please explain)



[Click here to enter text.](#)

other (please explain).



[Click here to enter text.](#)

What actions should occur if the price ceiling is struck? (Select all that apply.)



- increase the price ceiling trigger level, if it was set on a too low or erroneous basis ☒
- increase the limit on international units, if high domestic abatement costs are the cause of the excessively high prices ☐
- undertake a fuller system review, if the high prices are seen as a sign of wider market dysfunction ☒
- government buying international units to compensate for additional units added to the market through the price ceiling ☐
- adjust the overall cap ☐
- other (please explain). ☐

Do not support automatic or easy options that reduce the downward pressure on emissions, unless first supported by a rigorous review of the root cause of the market failure.

Do you agree with the proposal to review the price ceiling if another significant event occurs (such as a decision to link the NZ ETS with another carbon market)?

- ☒ Yes
- ☐ No
- ☐ Not sure

Enables the ETS to be adjusted to fit with global initiatives.

Do you agree that the \$25 FPO may not be appropriate for the short term, and may need to be adjusted before 2020? Please explain.

- ☒ Yes
- ☐ No
- ☐ Not sure

The carbon price has already reached \$25 and keeping the FPO at \$25 will act as a brake on carbon prices to the disadvantage of forest sink owners

Which mode of purchase for international units (direct or indirect) would be the best approach for the NZ ETS, acknowledging that there are other significant factors that will influence this decision? Please explain.

Indirect to ensure the quality

If NZ ETS participants are able to purchase and surrender international units directly, do you think that there is justification for varying the percentage of allowable international units by participant type? If not, why not?

- ☐ Yes
- ☐ No
- ☒ Not sure

[Click here to enter text.](#)

How do you think decisions on a phase-down of industrial allocation should be made? (Select all that apply.)

- make an up-front decision to phase-down industrial allocation from 2021 ☒
- set a test or condition that would trigger a phase-down ☐
- establish a decision-making process to determine industrial allocation rates over time ☐
- other (please explain). ☐

[Click here to enter text.](#)

If a decision-making process for industrial allocation is implemented, which of the following factors should the decision maker take into account? (Select all that apply.)

- New Zealand's emissions budgets ☒
- the risk of emission leakage, with the aim of avoiding leakage driven by differential emission pricing policies, and based on economic analysis of the markets for emissions intensive and trade exposed activities and their products ☒
- other sources of supply into the NZ ETS ☐
- the availability of low-emissions technologies ☒
- New Zealand's international obligations ☐
- other (please explain). ☐

The risk of emission leakage is a real one with global negative impacts, so this must always be taken into account. However, this needs to be balanced with incentivising local solutions as much as possible, where they exist, to create a viable domestic market for clean energy technologies.

If a phase-down is initiated in future, which of the following rates for phasing-down industrial allocation should be considered? (Select one option only.)

- 0.01 per year ☐
- 0.02 per year ☐
- 0.03 per year ☒
- other (please explain). ☐

Consistent with emission reduction targets, and an incentive for domestic investment in clean energy technologies.

What impact would changes to the levels of industrial allocation from 2021 have on your investment or business decisions?

[Click here to enter text.](#)

For each of the seven areas that we have identified as being sources of potential risk, what is your assessment of the level of risk that they create, both now and in the future? Please provide examples or evidence if possible. (Select all that apply.)

	Current risk	Future risk
inadequate, false or misleading advice (please explain)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

[Click here to enter text.](#)

	Current risk	Future risk
a lack of transparency, monitoring and oversight for trades (please explain) Click here to enter text.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
risks of manipulation of the NZU price (please explain) Click here to enter text.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
insider trading (please explain) Click here to enter text.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
money laundering risks (please explain) Click here to enter text.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
credit and counterparty risks (please explain) Click here to enter text.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
potential conflicts of interest (please explain) Click here to enter text.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
other (please explain).		<input type="checkbox"/>
We have checked all the boxes above as all are risks , but do not have the experience to provide further comment.		

Do you think that there would be benefits from publishing individual emissions data reported by NZ ETS participants? (Please explain.)

- ☒ Yes
- ☐ No
- ☐ Not sure

Transparency. Creates a market incentive for emissions reduction by highlighting the climate change impact of competing suppliers.

Do you think cases of non-compliance should be published? (Please explain.)

- ☒ Yes
- ☐ No
- ☐ Not sure

Transparency, important for building confidence in the system and incentivising participants to meet their obligations.

How would publishing these types of information affect you?

Click here to enter text.

Do you agree with the proposal to introduce strict liability infringement offences for low-level non-compliance? If not, why not?

☒ Yes

☐ No

☐ Not sure

[Click here to enter text.](#)

What are your views on the levels of the proposed fines?

[Click here to enter text.](#)

Has the excess emissions penalty for failing to surrender or repay units by the due date caused issues for you? If so, please explain.

☐ Yes

☐ No

☐ Not sure

[Click here to enter text.](#)

Should the excess emissions penalty for failing to surrender or repay units by the due date be changed? If so, please explain.

☐ Yes

☐ No

☐ Not sure

[Click here to enter text.](#)

What option do you see as most appropriate for the excess emissions penalty?

set the penalty at a fixed dollar value and remove the ability to reduce the penalty ☐

use a proportional approach where the penalty is a percentage of the outstanding surrender obligation ☐

other (please explain). ☐

[Click here to enter text.](#)

Do you agree with the proposal to use approved units to repay any overdue unit obligation from a previous reporting period, before any remaining balance is transferred to the owner? If not, why not?

☐ Yes

☐ No

☐ Not sure

[Click here to enter text.](#)

Should large purchasers of coal, natural gas or obligation fuels have the ability to opt-in for only a portion of their obligations?

- ☐ Yes
- ☒ No
- ☐ Not sure

All emissions need to be included

As a mandatory participant that supplies this controlled fuel, what burden would it create if more of your large purchasers were to opt-in? Please explain.

[Click here to enter text.](#)

Do you agree with the proposal that all coal sold or used from a stockpile be reported, regardless of whether the participant meets the threshold for coal importing or mining in the year the coal was sold or used? If not, why not?

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposal that the Government should be able to amend Unique Emissions Factors from previous years? If not, why not?

- ☒ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposal that participants should repay the same type of units, rather than the exact same unit? If not, why not?

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposal to extend the general 30 day due date for repayments to annual allocation adjustment repayments? If not, why not?

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposal that the deadline for surrenders and repayments is 60 working days from the date a notice is sent? If not, why not?

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposal that industrial allocations can be transferred to a consolidated group account? If not, why not?

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposal that account operators continue to operate NZ ETS accounts until a succession plan is in place? If not, why not?

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposal that units should vest in the Crown if the account operator chooses to close the account? If not, why not?

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

# 1 A Better ETS for Forestry – Proposed amendments to the Climate Change Response Act 2002

## 7) SUBMISSION FORM

The Government is seeking feedback on a proposed package of changes to improve the ETS for forestry participants. They cover four main categories of change:

changing how forests earn and repay carbon credits in the ETS

introducing a mechanism for recognising emissions mitigation from harvested wood products

creating a new permanent forest activity in the ETS

introducing a package of operational changes to improve the way the ETS works for forestry participants.

For more information about the Government's proposals, please read on our [website](#).

**Submissions close at 5.00 pm on 21 September 2018.**

## 8) Making a submission

You can provide feedback in three ways:

Use the online submission form available on Ministry for the Environment's (MfE) [website](#). This is our preferred way to receive submissions.

Complete this submission form and send to us by email or post.

Write your own submission and send to us by email or post.

## 9) Publishing and releasing submissions

All or part of any written submission (including names of submitters) may be published on the MfE [website](#). Unless you clearly specify otherwise in your submission, we will consider that you have consented to website posting of both your submission and your name.

Contents of submissions may be released to the public under the Official Information Act 1982 following requests to Te Uru Rākau. Please advise if you have any objection to the release of any information contained in a submission and, in particular, which part(s) you consider should be withheld, together with the reason(s) for withholding the information. We will take into account all such objections when responding to requests for copies of, and information on, submissions to this consultation under the Official Information Act.

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## 10) Submission form

The questions below are a guide only and all comments are welcome. You do not have to answer all the questions. To ensure your point of view is clearly understood, please explain your rationale and provide supporting evidence where appropriate.

## 11) Contact information

Name*	Suky Thompson
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Submitter type*	Individual	<input type="checkbox"/>	
	NGO	<input type="checkbox"/>	
	Business / Industry	<input type="checkbox"/>	
	Local government	<input type="checkbox"/>	
	Central government	<input type="checkbox"/>	
	Iwi	<input type="checkbox"/>	
	Other (please specify)	<input checked="" type="checkbox"/>	Charitable Trust

\* Questions marked with an asterisk are mandatory.



## 12) Questions (divided into four main sections)

### 13) Simplified Accounting Approach for the ETS

1. Do you agree with the Government's preferred option to require all people who register new forests in the ETS to use averaging accounting? If you disagree, could you please provide your reasons why. What do you think will be the main impacts of this option for you or other land owners?

- ☒ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Out of the three options presented regarding averaging accounting and existing forests, could you please select your preferred option. Could you please explain below why it is your preferred option. What do you think will be the main impacts of this option for you or other land owners? If there are other options you think we should consider, please list them below.

- ☐ Option 1
- ☐ Option 2
- ☒ Option 3

[Click here to enter text.](#)

Do you agree with the Government's option regarding transition considerations in a move to averaging accounting? If you don't agree, could you please explain why below. What do you think will be the main impact of this option for you or other land owners? If there are other options you think we should consider, please list them below.

- ☐ Option 1
- ☐ Option 2

[Agree with the Government's option.](#)

Do you agree with the Government's preferred option that trees planted after 1 January 2020 are 'new' forests? If you disagree, could you please provide your reasons why. What do you think will be the main impacts of this option for you or other land owners?

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the Government's preferred option to continue to require all ETS post-1989 forestry participants with land below 100 hectares to use default look-up tables and those with

land over 100 hectares to use the FMA approach to measure carbon storage in their forests? If you disagree, could you please provide your reasons why. What do you think will be the main impacts of this option for you or other land owners?

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Out of the two options presented regarding how to calculate the long term average carbon storage age what is your preferred option? Could you please explain below why it is your preferred option. What do you think will be the main impacts of this option for you or other land owners? If there are other options you think we should consider, please list them below.

- ☐ Option 1
- ☐ Option 2

[Click here to enter text.](#)

Do you agree with the Government's preferred option regarding how a change to the average age in regulations can be applied to existing participants who are above the average age? If you disagree, could you please provide your reasons why. What do you think will be the main impacts of this option for you or other land owners? If there are other options you think we should consider, please list them below.

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the Government's preferred option regarding how a change in the average age can be applied to existing participants who are below the average age? If you disagree, could you please provide your reasons why. Could you also tell us below how you expect this change will affect you or other land owners.

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the Government's preferred option regarding how far back can a participant claim NZUs/emissions units on entry to averaging accounting? If you disagree, could you please provide your reasons why. What do you think will be the main impacts of this

option for you or other land owners? If there are other options you think we should consider, please list them below.

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the Government's preferred option for ongoing reporting requirements? What do you think will be the main impacts of this option for you or other land owners? If there are other options you think we should consider, please list them below.

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the Government's preferred option for ETS participants with forests subject to a temporary adverse event? If you disagree, could you please provide your reasons why. What do you think will be the main impacts of this option for you or other land owners? If there are other options you think we should consider, please list them below.

- ☒ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you think removing temporary adverse event emissions liabilities will reduce insurance premiums and incentivise people to register more forests in the ETS?

- ☒ Yes
- ☐ No
- ☐ Not sure

Do you agree with the Government's preferred option to introduce offsetting for ETS forestry participants with post-1989 forest land who use averaging? If you disagree, could you please provide your reasons why. What do you think will be the main impacts of this option for you or other land owners? If there are other options you think we should consider, please list them below.

- ☐ Yes
- ☐ No

☐ Not sure

[Click here to enter text.](#)

## 14) Recognising the Emissions Mitigation from Harvested Wood Products

Out of the three options presented regarding how to pass on the international harvested wood products accounting benefit to the NZ forestry sector, what is your preferred option? Could you please explain below why it is your preferred option. What do you think will be the main impacts of this option for you or other land owners? If there are other options you think we should consider, please list them below.

☐ Option 1

☒ Option 2

☐ Option 3

Although this option does not incentivise longer-lived wood products, it is simple to administer and is a fairly direct means of further incentivising afforestation. Any attempt to reward particular uses of harvested trees would be in danger of “picking winners” and disincentivising future potential contributions of wood product to climate change, such as substitution for current fossil fuel use.

## 15) Creating a Permanent Forests Category in the ETS

Do you agree with the Government’s preferred approach to introduce a new activity into the ETS for permanent post-1989 forests? If you disagree, could you please provide your reasons why. Could you also tell us below how you expect this change will affect you or other land owners.

☒ Yes

☐ No

☐ Not sure

[Click here to enter text.](#)

Do you agree with the Government’s preferred approach to use the existing stock change accounting process for permanent forests? If you disagree, could you please provide your reasons why. Could you also tell us below how you expect this change will affect you or other land owners.

☒ Yes

☐ No

☐ Not sure

[Click here to enter text.](#)

Do you agree with the Government's preferred approach that the majority of the operational processes and regulations should be shared between permanent post-1989 and post-1989 forests, with the key difference being the non-clear-fell harvest period? If you disagree, could you please provide the reasons why. Could you also tell us below how you expect this change will affect you or other land owners.

- ☒ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the restrictions proposed for permanent forests? If you disagree, could you please provide the reasons why. Could you also tell us below how you expect this change will affect you or other land owners.

- ☒ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree that 50 years is an appropriate non-harvest period for ETS registered permanent forests? If you disagree, could you please provide the reasons why. Could you also tell us below how you expect this change will affect you or other land owners.

- ☐ Yes
- ☐ No
- ☒ Not sure

See our introduction. We do see that there should be an incentive to commit to permanent forest in perpetuity and to gain a premium for such forest. Climate change mitigation measures need to be long term

Do you agree with the Government's preferred option of not offering a covenant for permanent forests registered in the ETS? If you disagree, could you please provide the reasons why. If there are other options you think we should consider, please list them below.

- ☒ Yes
- ☐ No
- ☐ Not sure

Again - see our introduction. While we support bringing everything into the ETS we do still think there is great value in covenants on land titles ensuring protection in perpetuity and would like forests protected in this way, particularly when managed for biodiversity, to have clearly identified credits that ensure a premium. We see that there should be an incentive to commit to permanent forest in perpetuity and to gain a premium for such forest. Climate

change mitigation measures need to be long term

What assistance could the Government offer to make it easier for indigenous forest to be registered in a covenant from other organisations (e.g sharing mapping information)?

Allow another organisation involved with covenanting such as QEII Trust and Banks Peninsula Conservation Trust to apply on behalf of their members in aggregate and manage the process for them to simplify the requirements on small blocks that are already covenanted. Use all the information already held by the covenanting organisation to support the aggregate application.

Provide grants and other incentives including free advice from Te Uru Rakau to assist landowners with covenants and covenanting organisations to register under the ETS

Do you agree with the Government's preferred option that transfer for current PFSI participants to a permanent post-1989 forest activity in the ETS should be mandatory with a one-off option to exit? If you disagree, could you please provide the reasons why. Could you also tell us below how you expect this change will affect you or other forest owners.

- ☒ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the Government's three choices for dealing with permanent forests registered in the ETS when the 50-year permanence clause ends? If you disagree, could you please provide the reasons why. If there are other options you think we should consider, please list them below.

- ☐ Yes
- ☐ No
- ☒ Not sure

[Click here to enter text.](#)

Do you agree whether there should be an option to sign up for another non-harvest period? If you do agree, could you please state below how long this should be and why.

- ☒ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree that a retrospective averaging approach is the best way to allow forests to be harvested after 50 years? If you disagree, could you please provide the reasons why.

- ☒ Yes
- ☐ No

☐ Not sure

[Click here to enter text.](#)

Out of the three options presented for participants to exit the ETS permanent forest category prior to the end of the 50-year non-harvest clause, which do you prefer? Could you please explain below why it is your preferred option and how this will affect you or other forest owners. If there are other options you think we should consider, please list them below.

☐ Option 1

☐ Option 2

☒ Option 3

Option 1 risks falling out of step with the market. For example, if land use pressure means the rising value of land offsets the penalty, there would be an incentive to exit early. Conversely, option 2 could be overly restrictive in the face of unforeseen changes in circumstances. Option 3 balances the need to disincentivise early exit with the ability to apply discretion in extraordinary circumstances.

Do you agree with the Government's preferred option for participants who transfer to permanent forests to only earn units from the start of the MERP during which the move to permanent forest is made? If you disagree, could you please provide the reasons why. If there are other options you think we should, consider please list them below.

☒ Yes

☐ No

☐ Not sure

[Click here to enter text.](#)

Do you agree with the Government's preferred option regarding transitioning rotation post-1989 forests in the ETS over to the permanent forest category once they are past the first rotation? If you disagree, could you please provide the reasons why. If there are other options you think we should consider, please list them below.

☒ Yes

☐ No

[Click here to enter text.](#)

Do you agree with the Government's preferred option that harvesting restrictions are applied from the date of transfer to permanent post-1989 forest? If you disagree could you please provide the reasons why below. If there are other options you think we should consider please list them below.

☒ Option 1

☐ Option 2

[Click here to enter text.](#)

## 16) Operational Improvements to the ETS

Do you agree that publicly available maps are the best way to provide more certainty on forest eligibility in the ETS? If you agree, could you please list below how much information the map should contain (eg, just land eligibility, unit balances etc). If you disagree, could you please provide the reasons why.

- ☒ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Would you be comfortable with your information on the above maps being publicly available?

- ☒ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

How would you see the information in these maps interacting with other publicly available maps?

[Click here to enter text.](#)

Do you agree with the options for improving the deforestation offsetting process for pre-1990 forests? If you disagree, could you please provide the reasons why. If there are other options you think we should consider, please list them below.

- ☒ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Have you considered using the current offsetting rules for pre-1990 forest? If so, did you face barriers to using offsetting and could you list them below?

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)



Do you agree with the proposal to improve the tree weed deforestation exemption process? If you disagree, could you please provide the reasons why. If there are other options you think we should consider, please list them below.

- ☒ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Have you attempted to control tree weeds on your land and, if so, did you face any barriers? Could you please include below any suggestions for how the process could be made easier?

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree that a generic threshold for using exemptions for less than 50-hectare blocks of pre-1990 forest land should be 10 owners on 1 September 2007? If you disagree, could you please include below what number of owners you would set it at and why?

- ☐ Yes
- ☐ No
- ☒ Not sure

[Click here to enter text.](#)

Do you agree that any subsequently appointed trustee or agent should be able to apply for the above exemption (provided it has met the statutory requirements under Te Ture Whenua Maori Act 1993)? If you disagree, could you please provide the reasons why. If there are other options you think we should consider, please list them below.

- ☐ Yes
- ☐ No
- ☒ Not sure

[Click here to enter text.](#)

Do you agree with the proposal for a simpler process for section 60 exemptions? If you disagree, could you please provide the reasons why. If there are other options you think we should consider, please list them below.

- ☐ Yes
- ☐ No

☒ Not sure

[Click here to enter text.](#)

Do you agree that a mini-MERP is the best way to align participants' ETS obligations with New Zealand's international emissions targets? If you disagree, could you please include below what alternatives to a mini-MERP you would propose.

☒ Yes

☐ No

☐ Not sure

[Click here to enter text.](#)

Are you comfortable with the operational detail for post-1989 offsetting being largely the same as pre-1990 offsetting?

☐ Yes

☐ No

Which yield table do you think should be used to define the carbon equivalence of the new forest?

[Click here to enter text.](#)

Should the land the new (offset) forest is planted on be differently recorded from pre-1990 forest offset land? If so, could you include below why. Could you also include below if you have any other input regarding this proposal.

☐ Yes

☐ No

[Click here to enter text.](#)

Do you agree with extending section 60 exemptions to post-1989 forest land? If you disagree, could you please provide the reasons why. If there are other options you think we should consider, please list them below.

☐ Yes

☐ No

☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposed change to extend the cost recovery framework? If you disagree, could you please provide the reasons why. If there are other options you think we should consider, please list them below.

☐ Yes

- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposal to treat executors of wills as if they were the registered participants? If you disagree, could you please provide the reasons why. If there are other options you think we should consider, please list them below.

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposed change for the notification of interested parties? If you disagree, could you please provide the reasons why. If there are other options you think we should consider, please list them below.

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposal to allow reconfiguration of carbon accounting areas (CAAs) without participant cost? If you disagree, could you please provide the reasons why. If there are other options you think we should consider, please list them below.

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposed change regarding timing of deforestation? If you disagree, could you please provide the reasons why. If there are other options you think we should consider, please list them below.

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposal to ensure all emissions or removals from all trees in a CAA are included in an emissions return? If you disagree, could you please provide the reasons why. If there are other options you think we should consider, please list them below.

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposal to change emissions returns for natural disturbance events that permanently prevent forest re-establishment? If you disagree, could you please provide the reasons why. If there are other options you think we should consider, please list them below.

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposed change to remove unnecessary emissions return requirements? If you disagree, could you please provide the reasons why. If there are other options you think we should consider, please list them below.

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Which of the two proposed options to exclude post-1989 forest land with tree weeds do you prefer? Could you please provide your reasons why below.

- ☐ Option 1
- ☐ Option 2

[Click here to enter text.](#)

Do you currently have any tree weeds registered?

- ☐ Yes
- ☐ No
- ☐ Not sure

Do you agree with the proposal to allow the EPA to review its decisions? If you disagree, could you please provide the reasons why. If there are other options you think we should consider, please list them below.

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposed change for deregistration of forestry participants? If you disagree, could you please provide the reasons why. If there are other options you think we should consider, please list them below.

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposed change to rounding rules? If you disagree, could you please provide the reasons why. If there are other options you think we should consider, please list them below.

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposal to allow more flexibility in submitting emissions returns? If you disagree, could you please provide the reasons why below. If there are other options you think we should consider, please also list them below.

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposal to standardise timeframes for unit surrenders and payments? If you disagree, could you please provide the reasons why below. If there are other options you think we should consider, please also list them below.

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposal to require all returns to be net returns? If you disagree, could you please provide the reasons why below. If there are other options you think we should consider, please also list them below.

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposed change regarding the transfer of participant when forestry rights are granted? If you disagree, could you please provide the reasons why below. If there are other options you think we should consider, please also list them below.

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposed change to cover cases where cleared land is re-established in forest by both planting and natural regeneration? If you disagree, could you please provide the reasons why below. If there are other options you think we should consider, please also list them below.

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

Do you agree with the proposal that deforested exempt land is considered post-1989 forest land if it becomes forest land again nine years or more after being deforested? If you disagree, could you please provide the reasons why below.

- ☐ Yes
- ☐ No
- ☐ Not sure

[Click here to enter text.](#)

As per above, do you agree with the stand-down period of nine years or more? If not, what period do you think should be used?

- ☐ Yes
- ☐ No

☐ Not sure

[Click here to enter text.](#)