

**Oral submission:            Parliamentary Select Committee hearings for the Climate Change Response (Emissions Trading Scheme) Bill  
February 10, 2020**

**Presented by                 Suky Thompson on behalf of Banks Peninsula Native Forest/Climate Change group**

Thank you for the opportunity to speak on behalf of the Banks Peninsula Native Forest Climate Change Group. I am Suky Thompson from Rod Donald Banks Peninsula Trust, and have been co-ordinating the group.

With me are group members Hugh Wilson and Bruce Hansen Trustees from Hinewai Reserve, Alice Shanks QEII National Trust, and Maree Burnett Banks Peninsula Conservation Trust. Joining us by video are Larry Burrows, Forest Ecologist Manaaki Whenua, Laura Molles Christchurch City Council and Helen Greenep Environment Canterbury. They are available to answer questions.

This group has come together because we expect regenerating native forest to be encouraged by the Emissions Trading Scheme and think that most New Zealanders would agree, however the Amendment Bill does not achieve this, but instead carries on barriers to registration derived from the original Kyoto protocol that no longer apply under the Paris agreement.

We see a huge opportunity for biodiversity enhancement and carbon sequestration to work in tandem if marginal land owners are incentivised to facilitate the regeneration already happening naturally on their land.

Hinewai Reserve on Banks Peninsula demonstrates how native forest can come back over a vast area when land is managed to support the natural regeneration process and the income that can be obtained from carbon sequestration to support it. It is a stunning success story on both counts. Local landowners are keen to follow suit, whether they be conservationists or conventional farmers

We advocate for natural regeneration to be the principle method for marginal land to transition to native forest because nature is so effective that it has the power to restore forest on a massively greater scale than human planting.

We support the international concept of re-wilding with all its co-benefits to indigenous species, climate resilience, soil stability and water quality.

The principle barrier in the Act is that any area that was already forest or likely potential forest in 1990 is disbarred from registration and the consequent need this creates to age the forest at the time of registration. Unlike planted areas where the forest was established at

one date, natural regeneration is subtle and successional - beginning either under a nurse cover of woody shrub – such as gorse – or creeping slowly outwards from existing patches. Applicants and MPI both rely on grainy aerial photography from around 1990 to determine whether land was bare pasture at that time or under some form of woody vegetation.

Where woody vegetation was present, or shaded areas on the aerial photography suggest it might have been, MPI consider that area likely to contain a potential forest and decline the application, despite the fact that this is infant forest and will continue to sequester for many years.

Natural regeneration is occurring on Banks Peninsula on a massive scale, but because it is not financially incentivised we increasingly see large areas destroyed by aerial spraying as landowners perceive native vegetation or its nurse canopy as an invasive weed affecting income rather than carbon sequestration with potential to earn income.

We submit that this is utterly counterproductive to the goals of the Climate Change Response Act. At best carbon sequestered in these naturally regenerating areas is not being included on the national register, at worst it is being replaced with methane emitting pastoral farming. Although we are Banks Peninsula focussed, we are aware of the same issues around the country.

We established with MPI during their most helpful visit to Banks Peninsula last year that Paris Agreement opens a new opportunity to include pre-1990 forest into the Act.

Our submission presents a simple solution that would meet New Zealand's international obligations through the addition of a Perpetual Indigenous Forest activity to the Act. This would enable naturally regenerating areas to register provided they are protected in perpetuity with a reputable covenant and have not yet reached a steady state but are managed to optimise growth to reach it over time. The criteria of age is therefore replaced with the requirement that the indigenous forest is acting as a carbon sink. Credits would only be allocated from the point of registration forward with no back counting, but the income would continue for many years as the forest grows.

We have proposed that MPI develop a set of lookup tables based on research into the sequestration rates of common native forest types and that these tables are introduced by way of regulation as they are developed and offered to assist. We have recommended the legislation provides a default national rate of 3 credits per ha per annum, matching the national average sequestration rate for native forest, to enable immediate implementation in the current Bill before the tables are developed.

Marginal farming on Banks Peninsula nets \$100 to \$200 per ha per annum. Even at the current carbon price of \$25, 3 units per ha per annum (equating to \$75 in value) would start incentivising the change.

We therefore urge you to give effect to the new international flexibility accorded by the Paris agreement immediately in this Bill to make it easier for New Zealanders to register their regenerating native forests into the Emissions Trading Scheme. This would represent a win for New Zealand by providing a cost effective, and environmentally and socially effective way to mitigate climate change on a landscape scale.

We have provided some wording to implement our solution in the hope it will assist the process.