

19 June 2009

Introduction of Emissions Trading Forestry Sector Bill

As you may be aware, the New Zealand Government introduced the Climate Change Response (Emissions Trading Forestry Sector) Amendment Bill (the 'Bill') to Parliament on the 18th of June 2009. This Bill proposes to amend some aspects of the way the New Zealand Emissions Trading Scheme ('NZ ETS') will impact on the forestry sector and will delay certain requirements applicable to owners of pre-1990 forest land.

First, clause 6 of the Bill amends section 196 of the parent Act (The Climate Change Response Act 2002) which deals with when owners of pre-1990 forest land must submit their first emission return. Clause 6 defers the deadline for submission of returns (which give notice that deforestation has occurred) until 31 January 2010. This clause also defers the timing of when New Zealand Units must be surrendered to cover any deforestation until the 30th of April 2011. This will give forest owners some additional time to become prepared to account for their obligations under the NZ ETS.

Clause 7 of the Bill inserts a new section 196A into the Act which provides the Minister with the power to withdraw or suspend any draft allocation plan that has been notified (before the commencement of this new section 196A). Further, Clause 4 of the Bill amends section 168 of the Act by providing the Governor-General with the power to prescribe a date by which applications must be made for exemption for land holdings of less than 50 hectares of pre-1990 forest land.

These amendments may provide some comfort to foresters who were concerned about the looming deadlines relating to pre-1990 forestry. More information can be expected (such as the deadline for applications for exemptions of land with tree weeds and so forth) from the Government in the coming months.

If you or your organisations have any questions regarding the amendments contained in this Bill, or any other forestry and NZ ETS questions, please contact a member of our Climate Change team here at Kensington Swan.

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