

A new deal on the table for forestry

The New Zealand Government has finally unveiled its proposals for changing the way forestry is treated under the Emissions Trading Scheme – including a proposal for new permanent forestry provisions. Ideas like recognising the carbon stored in wood after it is harvested and changing the way carbon in forests is measured and reported were first proposed in the 2015 review of the scheme.

But last year, when the previous Government announced the changes it was planning to make, it said that substantial changes to forestry rules would be delayed. Last night, the new Government released discussions documents for a new review of the scheme – including one **devoted entirely to forestry**.

It says that the ETS has failed to promote the forestry New Zealand needs to offset its greenhouse gas emissions. "Since 2000 there has been very little establishment of new areas of commercial forests, and some areas that have been in commercial forests have been changed to other land uses," the discussion document says.

Central Plan

"Large areas of forests planted in the 1980s and 1990s are coming up to harvestable age in the early 2020s. Those forests will then become a significant source of emissions. The current carbon price of \$21 has decreased rates of deforestation but has had only a small effect on afforestation so far." Fixing the ETS forestry provisions is central to the Government's plans for both addressing climate change and for regional development.

"We want to encourage farmers, Maori and other landowners to see the benefit of ETS participation in helping them to plant and grow even more forest," forestry minister Shane Jones says in the foreword. "I believe that with these improvements we can work towards supporting and promoting a flourishing forestry sector, delivering sustainable jobs in our regions and encouraging economic growth while helping meet our country's climate change targets."

New Category

Proposals include creating a new permanent forests category under the ETS. "Meeting our long-term international climate change commitments will require New Zealand to increase the amount of permanent forest planted and maintained in perpetuity as a means of sequestering carbon," it says.

"Establishing 100,000 hectares of permanent forests (in the 2020s) will sequester between one and three million tonnes of carbon dioxide per year by 2050 and beyond." Current options for long-term carbon sequestration – through the ETS or the Permanent Forests Sinks Initiative – have drawn very little support, and the Government wants to come up with a new scheme.

High Value

Options include beefing up the PFSI or creating a new category under the ETS permanent forest which would identify the fact that credits from these forests had high environmental value. The review also proposes allowing forest owners to use an averaging system when calculating the amount of carbon stored in their trees and introducing a harvested-wood provision that would recognise carbon stored in wood products.

Submissions close on 21 September.

Source: Carbon News 2018