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BILLS DIGEST

Digest No. 1691

Climate Change Response (Emissions Trading Forestry Sector) Amendment Bill 2009

Date of Introduction:	18 June 2009
Portfolio:	Environment
Select Committee:	As at 22 June, 1st Reading not held.
Published: 22 June 2009 Prepared by John McSoriley BA LL.B, Barrister Legislative Analyst P: (04) 471-9626 (Ext. 9626) F: (04) 471-1250	Caution: This Digest was prepared to assist consideration of the Bill by members of Parliament. It has no official status. Although every effort has been made to ensure accuracy, it should not be taken as a complete or authoritative guide to the Bill. Other sources should be consulted to determine the subsequent official status of the Bill.

Purpose

The aim of this Bill is to amend the Climate Change Response Act 2002 (the Act) to delay certain requirements applicable to the forestry sector under the New Zealand Emissions Trading Scheme.

Background

In a recent media release¹, the Minister for the Environment, Hon Nick Smith said:

"The bill delays reporting requirements under the ETS and publication of an allocation plan by the Government because the Emissions Trading Scheme Review Committee process is yet to be completed.

"The current law under the Climate Change Response Act requires foresters to have reported any deforestation during 2008 by 31 January 2009 and to apply for exemptions for small forest blocks by 30 June 2009. These dates are unreasonable given the Committee review and the lack of public awareness of these requirements. Without this bill, many forest owners would unknowingly find themselves in breach of the law or adversely affected.

¹ Media Release, 18 June 2009, Hon Nick Smith, Minister for the Environment, "Bill to amend ETS forestry timing".

"Nor does it make sense for the Government to publish an allocation plan by 30 June 2009 for pre-1990 forest owners when issues over offsetting and the underlying ETS approach to forestry are under consideration by the Review Committee.

"New Zealand is the first country in the world to attempt to introduce forestry into an ETS. These extensions are about taking the time to get critical details right for an industry that is of enormous financial and environmental importance to New Zealand.

"The Government's intent is for the bill to have a first reading next week. We have consulted with other parties in Parliament and have the support to pass the bill through all stages by 30 June 2009.

"The Government intends to introduce a substantive climate change amendment bill later in the year once the ETS Review Committee's work is completed."

Main Provisions

Regulations

The Bill enables the Governor-General to prescribe a date by which applications must be made under section 183 of the Act (Section 183 is headed "Applications for exemption for land holdings of less than 50 hectares of pre-1990 forest land") (*Part 1, Clause 4, amending Section 168(1) the Act*).

Date for application for exemption under Section 183

The Bill provides that applications for such exemption must be submitted to the chief executive by the date prescribed in regulations or another date specified by public notice given by the chief executive (*Part 1, Clause 5, amending Section 183(3)*).

Date of first emissions returns

The Bill defers the date by which deforestation is to be notified and alters the timing of the obligation to surrender the relevant New Zealand units (*Part 1, Clause 6, amending Section 196 of the Act (headed "First emissions return for pre-1990 forest land activities")*).

Power to withdraw or suspend certain draft allocation plans

The Bill enables the Minister to withdraw or suspend any draft allocation plan notified before the commencement of New Section 196 inserted by this Bill (*Part 1, Clause 7, inserting New section 196A into the Act*).

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