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Ministry for the Environment and Ministry of Primary Industries
Wellington

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Feedback on the review of the New Zealand Emissions Trading Scheme and Permanent Forest Category

Tēnā koe

Thank you for the opportunity to provide feedback on the Review of the New Zealand Emissions Trading Scheme (ETS) and a Redesigned Permanent Forest Category. Our feedback focuses on both the incentives within the ETS for permanent forestry and for indigenous planting, and on the design of the permanent forest category as well. We have responded to the aspects and questions of most importance to us at this time.

Kāpiti Coast District Council is particularly conscious of the effects climate change is likely to have in escalating frequency going forward, and we have already seen the effect of increasing severe weather events on New Zealand communities this year. The effects of erosion, flooding and slash were unfortunately well demonstrated in Northland, Auckland, Waikato, Hawke's Bay, Taiwāwhiti and Wairarapa.

Kāpiti Coast District Council's region features a wonderful coastal environment, with several steep forested areas overlooking built up areas including housing, and important roads. We are aware of the protection that some of the currently forested areas provide to our important assets and that planned deforestation may cause issues in the future.

Incentivising activities that would provide protection from, or reduce the severity of, these effects should be a consideration for the ETS incentives and permanent forest category design.

Review of the New Zealand Emissions Trading Scheme

We are supportive of the overall intent of the ETS review discussion document to increase incentives to reduce gross carbon emissions.

It is important to consider longer term aims and co-benefits as part of your process. Ultimately, the scheme will have a greater positive environmental impact if it is aiming to both reduce overall emissions and promote environment-positive choices that support long term environmental stability.

We also acknowledge importance of forestry for jobs and supporting the economy and supporting landowners to make choices that allow them to support their business and the environment. We note the comments in the discussion document regarding the disproportionate impact on Māori of settings that limit landowner's choices. We therefore support an incentive based approach to encouraging permanent, indigenous afforestation.

We support consideration of incentives that:

- Support the protection of our native biodiversity through permanent indigenous planting, and a 'right tree, right place' approach
- Support permanent carbon sink planting
- Provide additional protection to environments susceptible to effects of climate change (populated areas, erosion-prone areas, areas projected to be susceptible to other climate events eg reducing effects of increased storm activity in vulnerable areas)
- Support permanent indigenous plantation in areas of ecological or cultural significance (eg expanding known native animal habitats, aligning with existing nearby native forest areas)
- Support combination planting, that allows for harvest activity, while also providing areas of permanent forest to provide continuous protections (eg increased areas of riparian border planting).

For these reasons, we would be supportive of option 4 in the discussion document, that aims to create more tailored incentives for removal activities.

We would also support including a wider range of planting activity that supports long term carbon sequestration and positive environmental outcomes. Restoration of wetland areas, for example support the storage of carbon in soil, that would otherwise be released through agriculture and residential land use changes. This would also provide incentives for landowners to consider the appropriate indigenous planting for their site.

A Redesigned ETS Permanent Forest Category

We acknowledge the important role Greater Wellington Regional Council plays in managing compliance with the National Environmental Standard for Plantation Forestry. We have worked, and continue to work, with Greater Wellington on areas where we have concerns about specific sites, especially where they are close to built up areas.

We note that any large scale harvesting of forested areas presents an increased risk of erosion, exposure to elements and waste byproducts (ie slash). We would, therefore, encourage consideration of longer minimum timeframes for inclusion in the permanent forest category. As it stands, the settings of 50 years still allow for commercial harvesting of larger, longer growing exotic trees (such as redwood), rather than a fully permanent forest.

We would also agree with recommendations in the document that there should be additional management processes for forest types that have known higher risks (eg more prone to wilding, fires, pests) or where continued action must be taken to ensure benefits are realised (transition forests). Again, we would support a focus on incentivisation rather than punishment (and therefore loss of benefits if not following planned activity). In general, we believe the current approach to management should continue – that is it the owner's responsibility to monitor progress and have that verified by the Ministry of Primary Industries, as it is the owner who stands to benefit financially from the Scheme.

As a district council, our role in these matters can sometimes feel small in proportion to the possible consequences we may have to manage for our district if something goes wrong. We therefore greatly appreciate the opportunity to comment on the review of the ETS and the proposed redesign of the permanent forest category.

Yours sincerely



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