



CARBON FARMING NEWS

ISSUE 2, JANUARY 2009

Happy New Year and welcome to the Carbon Farming Group newsletter.

The Emissions Trading Scheme was made into law at the end of September and just over a month later with a change of government it was put on hold and placed under review. In this newsletter you will find out what this means and what else is happening with the carbon market.

EMISSIONS TRADING SCHEME

The emissions trading scheme is now law while at the same time it is under select committee review. As it currently stands, you can still technically apply to participate under the forestry provisions of the ETS. This is because the ETS legislation has not been altered or suspended. However, the details of the ETS are under review and subject to change.

SELECT COMMITTEE REVIEW

A select committee chaired by Peter Dunne has been formed to review the existence of the Emissions Trading Scheme, and to consider alternative mechanisms such as a carbon tax.

Submissions have been called for and are scheduled to close on the 13th of February. It is expected that the select committee will report back to the House in March and any changes to legislation on climate change policy to be passed by Parliament by September 2009.

The terms of reference for the select committee can be found [here](#). These terms of reference are to be used when preparing a submission to the select committee.

If you wish to make a submission you can find the information [here](#).

The Carbon Farming Group will be making a submission to the select committee around the experiences we have had as an independent information provider. Once this submission is complete it will be placed on the website.

CURRENT PROGRAMS

Despite the review there are two forestry programs still in operation which can be applied for, one is the Permanent Forest Sink Initiative (PFSI) and the other is the Afforestation Grant Scheme (AGS), these are briefly described below. More details can be found about these programs on the carbon farming website [here](#) or the MAF website [here](#) for the PFSI and [here](#) for the AGS.

PERMANENT FOREST SINK INITIATIVE

This program is targeted towards new forests that will not be clearfelled in the future. This will suit natural reversion of scrub back into native forest and/or the establishment of high value species which lend themselves to selective harvesting. As the policy is currently written you can convert your forest from the PFSI into the ETS once the ETS is up and running.

AFFORESTATION GRANT SCHEME

The AGS is a tender based process for the establishment of new forests on unforested land. The government will retain the carbon rights of the forest for the first 10 years. After this period the landowner can either deforest (clear the land) or enter the ETS or PFSI to claim subsequent credits. Priority will be given to those who will be stabilising erosion prone land.

WEBSITE UPDATES:

Recent updates to the Carbon Farming Group website include:

- ETS Select Committee Review terms of reference
- A disclaimer that the contents of the website is current to policies made prior to the November general election in 2008.

VOLUNTARY CARBON MARKET

The voluntary market in New Zealand is still developing and can be quite confusing, expensive, and time consuming. There are no real off-the-shelf voluntary market solutions on offer to cheaply and effectively create and sell carbon credits. We intend on reviewing the voluntary market as it develops and may put together a technical paper on our website to help explain how the various components work.



NEXT ISSUE...

- ETS Review Select committee findings

If you have any questions about climate change and the rural sector or have ideas/suggestions that you'd like to share please contact us on 0800 123 733 or info@carbonfarming.org.nz

Best regards, Clayton Wallwork