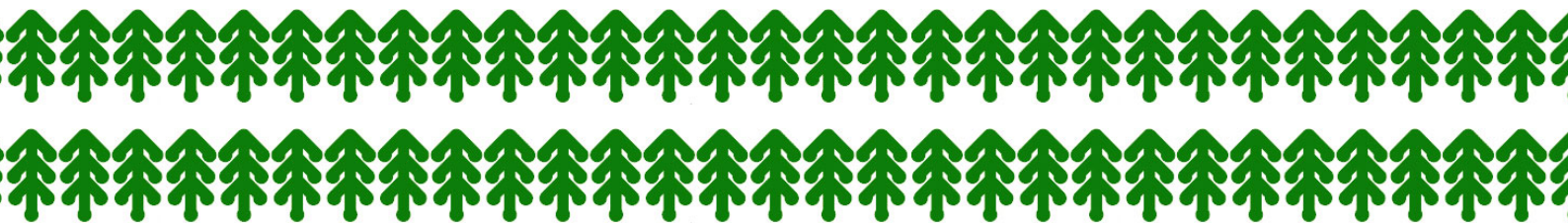




Submission on the New Zealand Emissions Trading Scheme Review
2015/16
Operational Matters Technical Note

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Introduction

This submission has been prepared by the NZ Forest Owners Association (FOA) on behalf of our members.

The FOA is a voluntary organisation representing the interests of commercial forest growers, facilitating co-operation and co-ordination within the forest industry. FOA member companies collectively manage around 1.2 million ha of rural land, 80% of which is in plantation trees. The total New Zealand plantation forest area is 1.7 million hectares.

In the discussion documents released in November 2015 government sought feedback on the review of the Emissions Trading Scheme (ETS) in two phases. The FOA has already submitted on the first phase - Priority Issues. The second phase relates to Other Issues and includes free allocation, international units, use of auctioning and technical matters including those related to forestry. The FOA is also submitting on the Forestry Technical Note. As a number of the issues are inter-related with this, submissions should be read collectively.

2.1 Encouraging Compliance with NZ ETS requirements

Improved communication with ETS-registered participants would assist with compliance requirements. Such communication could also cover aspects of best practice such as ways to minimise the risks of NZU price fluctuations under different circumstances.

2.2 Disclosure

Consideration should be given to providing summarised information that would improve the awareness by market participants including, for example, recent trading volumes of NZUs and a time series of the price of NZUs versus the volume traded. Other information that could assist with market awareness and participation would be more regular public reporting on the standing of international purchases and abatement achieved versus the desired carbon budget.

2.5 Access to Information about NZ ETS land status

In general information about NZ ETS land status should be readily available in order that any buyers and sellers are fully informed. MFE's operational publication on technical matters has already listed the information that it would be useful for the purchaser of land to know. The FOA concurs with these.



David Rhodes
Chief Executive