



By email

4 November 2024

Email to: etsforestrychanges@mpi.govt.nz

Tēnā koutou katoa,

Resetting the Emissions Trading Scheme (ETS) annual charge for post-1989 forestry participants

Hutt City Council (HCC) thanks you for the opportunity to make a submission on resetting ETS annual charges for post-1989 forests in the ETS.

As a territorial authority, HCC is responsible for large areas of forest with a number of areas eligible and already registered under the ETS, while others are potentially eligible for registration in the future.

Our submission points below are general points on the overall approach taken by the government on the proposed changes and are not answering specific consultation questions.

Point of sale fee instead of an annual per hectare fee

HCC has about 250 ha of native bush registered in the ETS. The annual charge would amount to about \$4k. While this in itself does not appear to be a significant cost, indigenous forests earn a marginal number of NZUs per hectare compared with exotic species. Hence, a flat fee would likely disincentivise indigenous forests, alongside the many co-benefits they generate.

HCC urges the Government to consider an alternative approach whereby a fee is collected at the point of sale of any NZU, instead of an annual per hectare fee on forestry. This would better account for indigenous forests in the ETS that earn only a marginal number of NZUs per hectare and per year.

The new online system Tupu Ake is not yet working optimally

The forestry sector should not shoulder the problems and cost of releasing the new online system Tupu Ake for the Ministry of Primary Industries. A new review of the costs of the system should be undertaken once the system runs normally and there are no further teething issues.

Yours sincerely

Councillor Josh Briggs

Chair of the Climate Change and Sustainability Committee