



# DEFORESTATION: DEFINITION AND OBLIGATIONS UNDER THE EMISSIONS TRADING SCHEME

Deforestation is the conversion of forest land to non-forest land. In practice, deforestation means removing forest species and changing the land use to a non-forest use such as grazing or housing. Temporarily unstocked forest land is also considered deforested unless the required level of replanting or natural regeneration has occurred within the specified timeframes.

However, there are a number of situations where forest land clearing does not result in obligations under the Emissions Trading Scheme (ETS). The rules relating to deforestation of forest land are described below.

## PRE-1990 FOREST LANDOWNER RESPONSIBILITIES AND OBLIGATIONS

Where pre-1990 forest land is deforested, the landowner (or a third party in certain situations<sup>1</sup>) becomes a mandatory participant in the ETS and must pay units for the carbon emitted, unless the deforestation occurs on exempt land (see Table 1 below), or is offset.

The landowner, or a third party if applicable, must formally notify the Ministry for Primary Industries (MPI) when they begin to deforest, and submit an associated emission return(s) (see *Notifying Pre-1990 Deforestation* below). Alternatively, they may apply to offset the deforestation of pre-1990 forest land before the deforestation commences.<sup>2</sup>

Situations where deforestation of pre-1990 forest does not result in the ETS obligations are as shown in Table 1.

All forms are available online at [www.mpi.govt.nz/growing-and-producing/forestry/forestry-in-the-emissions-trading-scheme/](http://www.mpi.govt.nz/growing-and-producing/forestry/forestry-in-the-emissions-trading-scheme/). You can also call 0800 CLIMATE (0800 254 628) and ask to be sent a form.

## WHEN IS TEMPORARILY UNSTOCKED FOREST LAND DEEMED TO BE DEFORESTED?

A hectare of forest land that is “temporarily unstocked” will be classified as deforested if the land does not meet the following criteria 4, 10 or 20 years after clearing.<sup>3</sup>

<sup>1</sup> A third party other than the landowner may be liable for deforestation if the right to decide to deforest was vested by the landowner in the third party and the landowner had no control over the decision.

<sup>2</sup> Refer to *Offsetting deforestation of pre-1990 forest under the Emissions Trading Scheme* for further information.

<sup>3</sup> Temporarily unstocked refers to trees which have been removed but no actions have been taken to convert the land to another land use.

### 4 years after clearing, the hectare must have:

- been replanted with at least 500 stems per hectare of forest species; **or**
- been replanted with at least 100 stems per hectare of willows or poplars in a manner consistent with managing soil erosion.

Alternatively, the hectare must have:

- regenerated a cover of at least 500 stems per hectare of exotic forest species; **or**
- regenerated predominantly indigenous forest species growing in a manner in which the hectare is likely to be forest land 10 years after it was cleared.

### 10 years after clearing:

- predominantly exotic forest species are growing, and that hectare must have a tree crown cover of at least 30 percent from trees that have reached 5 metres in height; **or**
- predominantly indigenous forest species are growing, and the hectare is forest land.

**20 years after clearing**, predominantly indigenous forest species are growing and that hectare must have tree crown cover of at least 30 percent from trees that have reached 5 metres in height.

## MINOR CLEARING ON FOREST EDGES

Minor clearing of forest land boundaries is not considered deforestation, provided that the land:

- is contiguous with the edge of pre-1990 forest land that existed on 31 December 2007; **and**
- is less than 1 hectare or less than 30 metres wide at its widest point; **and**
- is required to be/remain cleared and used only to implement New Zealand’s best practice forest management such as firebreaks or improving visibility on forest roads.

You do not have to report minor clearing, but you are encouraged to keep a record for future reference.

### Offsetting

Offsetting means that owners of pre-1990 forest land (or a third party if applicable) can deforest pre-1990 forest without incurring obligations to pay units, as long as a new carbon equivalence forest is created. The new forest must be at least the same area and achieve the same carbon stocks as the pre-1990 forest land that is to be deforested, within a specified timeframe.

To apply for this option, please use the pre-1990 forest land offsetting form. Further information is available in the factsheet *Offsetting deforestation of pre-1990 forest land under the Emissions Trading Scheme*.

**Table 1: Situations where deforestation of pre-1990 forest does not result in ETS obligations**

Deforestation situations	How to notify MPI
Where the area deforested is less than 2 hectares of non-exempt pre-1990 forest land in any five-year period	Notification not required
Where forest has been granted a less than 50 hectare exemption	Notification not required <sup>1</sup> (notice of exemption is on the appropriate land title)
Where forest land clearance was due to a natural event that permanently prevents re-establishing a forest on that land	Notification not required
Where forest land has been granted a tree weed exemption <sup>2</sup>	MPI's notice declaring exemption
Where an equivalent offset forest has been approved and established	Offsetting declaration form
Indigenous forest is not considered pre-1990 forest and is therefore not subject to any ETS obligations	Notification not required <sup>3</sup>

Table Notes:

1 Applications for Less Than 50 Hectare Exemptions should have been received by MPI by 30 September 2011. MPI will consider late applications on a case-by-case basis.

2 Refer to the factsheet *Pre-1990 tree weed exemptions* for more information.

3 Indigenous forest clearance may be subject to other non-ETS obligations.

## NOTIFYING PRE-1990 DEFORESTATION

The notification process includes the following steps (see the following link [www.mpi.govt.nz/growing-and-producing/forestry/forestry-in-the-emissions-trading-scheme/deforesting-forest-land/](http://www.mpi.govt.nz/growing-and-producing/forestry/forestry-in-the-emissions-trading-scheme/deforesting-forest-land/)).

### STEP 1

Ensure you have a New Zealand Emission Trading Register (NZETR) holding account. Holding accounts are applied for from [www.emissionsregister.govt.nz](http://www.emissionsregister.govt.nz) or by calling **0800 CLIMATE (254 628)**.

### STEP 2: NOTIFY MPI

Within 20 working days of beginning to deforest the land, you must notify MPI of the deforestation. Complete and submit the notify deforestation form, so MPI can register you as a participant in the ETS.

### STEP 3: CALCULATE EMISSIONS RESULTING FROM THE DEFORESTATION

Use the carbon look-up tables in the Regulations to do this. Pre-1990 forest land participants must use this method.

### STEP 4: SUBMIT AN EMISSIONS RETURN

Submit an emissions return either online or by completing a paper-based emissions return form and sending it to MPI between 1 January and 31 March of the year following the deforestation. A shapefile mapping the deforested area must also be provided.<sup>4</sup>

### STEP 5: PAYING UNITS TO COVER EMISSIONS

Units must be paid by 31 May of the year following deforestation.<sup>5</sup>

<sup>4</sup> See *How to map forest land in the Emissions Trading Scheme*.

<sup>5</sup> One unit is equivalent to a tonne of carbon emissions, and the liabilities are calculated using the age of the forest species at the time of clearing. The participant needs to use the carbon look-up tables in the Regulations to calculate this.

#### Disclaimer

The information in this publication has no statutory or regulatory effect and is of a guidance nature only. The information should not be relied on as a substitute for the wording of the Climate Change Response Act 2002.

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## POST-1989 FOREST DEFORESTATION

When post-1989 forest land registered in the ETS is deforested, it is subject to obligations in the ETS. These include:

- notifying MPI about any deforestation. Depending on the circumstances, the deforestation may require removal of a Carbon Accounting Area(CAA), removal of land from a CAA or deregistration. See the following link for more information [www.mpi.govt.nz/growing-and-producing/forestry/forestry-in-the-emissions-trading-scheme/adding-or-removing-ets-forest-land/](http://www.mpi.govt.nz/growing-and-producing/forestry/forestry-in-the-emissions-trading-scheme/adding-or-removing-ets-forest-land/);
- completing an associated emissions return form and submitting the form to MPI; and
- paying back the unit balance of the deforested land.

However, when post-1989 forest land that is not registered in the ETS is deforested, it will not be subject to obligations in the ETS.

If post-1989 forest land is cleared, but not deforested, due to a natural event or harvesting, participants will be required to account for carbon emissions when they submit an emissions return.

However, if the land is affected by a natural event that permanently prevents re-establishing a forest on that land, there may be no liability to pay units.

If you are in any of the above situations, please contact MPI for further information.

**For help, call us on  
0800 CLIMATE (0800 254 628)  
[www.mpi.govt.nz](http://www.mpi.govt.nz)**

