



Cabinet Economic Growth and Infrastructure Committee

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Summary of Paper

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Crown Land and Forestry in the New Zealand Emissions Trading Scheme and the 1 Hectare Mapping Standard for Pre-1990 Forest Land

Portfolio Climate Change Issues

Purpose This paper proposes guidelines for Ministers' participation in the New Zealand Emissions Trading Scheme (NZ ETS) with respect to forestry, and seeks agreement to incur fiscal costs associated with the *1 Hectare Mapping Standard* proposed for determining the area of forest land held by an owner of pre-1990 forest land.

Previous Consideration On 23 June 2010, EGI noted that the Climate Change (Pre-1990 Forest Land Allocation Plan) Order 2010 will provide the detailed process, additional rules, and information requirements necessary to distribute New Zealand Units (NZUs) to owners of pre-1990 forest land [EGI Min (10) 14/8].

Summary **Guidelines for Ministers administering Crown forest land**
Any Minister responsible for forest land owned by the Crown is usually deemed the owner of that land for the purposes of the NZ ETS. No specific guidelines have been given to Ministers regarding their participation in the NZ ETS. This paper proposes the adoption of whole-of-government guidelines for Ministers' participation in the NZ ETS with respect to forestry.

In relation to **pre-1990 forest land** administered by Ministers (discussed on pages 4-5), it is proposed that:

- Ministers should not apply for an allocation of NZUs (other than applications that they are legally obliged to make for Crown Forest Licensed land);
- Ministers should be permitted to apply for a less-than-50 hectare exemption from NZ ETS obligations for deforestation, following advice given by the department administering the land in consultation with the relevant Treasury Vote analyst;
- Ministers should also be permitted to apply for an exemption from NZ ETS obligations for the clearance of pre-1990 tree weeds.

In relation to **post-1989 forest land** administered by Ministers (discussed on page 6), it is proposed that:

- Ministers should not opt into the NZ ETS as independent post-1989 forestry participants;
- Ministers should retain the ability to partner with private investors for post-1989 afforestation projects on Crown land, consistent with work currently being undertaken.

The proposed guidelines will not apply to other public sector bodies (eg Crown entities, SOEs, or local and regional councils).

Mapping standard for pre-1990 forest land

A mapping standard will determine the area of forest held by an owner of pre-1990 forest land. In particular, the standard will specify the maximum gap size (eg of skid sites and minor roads) that may be mapped as forest land for the purposes of the Forestry Allocation Plan.

Three mapping standards have been considered (pages 6-7). It is proposed that a *1 Hectare Mapping Standard* be adopted as it is less complex than the alternative options and is already being applied for post-1989 forest land.

Regulatory Impact Analysis

Not applicable.

Baseline Implications

Agreeing to the proposed guidelines will reduce recorded expenses by approximately \$15.5 million in the First Commitment Period (CP1) and \$32.5 million after 2012. This is not a fiscal saving to the Crown; it will merely prevent an internal transaction within the Crown.

Implementing the proposed *1 Hectare Mapping Standard* will cost around \$30 million after 2012.

The combined net effect of the proposals will be a net reduction in the forecast costs of around \$2 million in CP1 and \$2.5 million after 2012.

Legislative Implications

None.

Timing Issues

None indicated.

Announcement

MAF will publicise the *1 Hectare Mapping Standard* as part of the wider road shows and communications on the Forestry Allocation Plan. This paper will be published on MfE's website, subject to any appropriate withholdings.

Consultation

Paper prepared by MfE. MAF and Treasury were consulted.

The Minister for Climate Change Issues indicates that discussion is not required with the government caucus and is required with other parties represented in Parliament.

The Minister for Climate Change Issues recommends that the Committee:

Guidelines for Ministers administering Crown forest land

- 1 agree that Ministers should not apply for an allocation of New Zealand Units for pre-1990 forest land;
- 2 agree that Ministers should be permitted to apply for a less-than-50 hectare exemption for pre-1990 forest land, following advice on a case-by-case basis from the department administering the land, in consultation with the relevant Treasury Vote analyst;
- 3 agree that Ministers should be permitted to apply for a tree weed exemption for liabilities arising from deforestation of pre-1990 forest land;
- 4 agree that Ministers should not participate independently in the New Zealand Emissions Trading Scheme (NZ ETS) as post-1989 foresters;
- 5 agree that Ministers should retain their ability to partner with private investors to earn New Zealand Units from post-1989 forests on Crown land;
- 6 note that the guidelines for Ministers' participation in the NZ ETS with respect to forestry will decrease recorded expenses by approximately \$15.5 million by the end of 2012 (and \$32.5 million after 2012);
- 7 agree that the guidelines for participation in the NZ ETS with respect to forestry should not apply to other public sector bodies, including Crown entities, State Owned Enterprises, and local and regional councils;

Mapping standard for pre-1990 forest land

- 8 agree to incur a \$13.5 million fiscal cost to the end of 2012 (and approximately \$30.0 million after 2012) as a result of the proposed *1 Hectare Mapping Standard*;
- 9 note that the net effect of the above proposal will be to reduce appropriated expenditure by around \$2.0 million to the end of 2012, and by \$2.5 million after 2012 once the guidelines for Ministers administering Crown land are taken into account;

Financial implications

- 10 approve the following changes to appropriations to reflect the net impact of the treatment of Crown land and the *1 Hectare Mapping Standard*, with a corresponding impact on the operating balance and no impact on the Between Budget Contingency:

Climate Change Minister for Climate Change Issues	\$m – increase/(decrease)				
	2009/10	2010/11	2011/12	2012/13	2013/14
Non-Departmental Other Expenses: Allocation of New Zealand Units	-	(2.029)	-	-	-

- 11 agree that the proposed changes to appropriations for 2010/11 above be included in the 2010/11 Supplementary Estimates;

- 12 note that the final allocation of costs over time is uncertain, and that joint Ministers may amend these appropriations at future baseline updates to reflect the actual phasing of costs.

Janine Harvey
Committee Secretary

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Chair

Cabinet Economic Growth and Infrastructure Committee

Crown land and forestry in the New Zealand Emissions Trading Scheme and the 1 Hectare Mapping Standard for pre-1990 forest land

Proposal

1. This paper proposes:
 - a. Guidelines for Ministers' participation in the New Zealand Emissions Trading Scheme (NZ ETS) with respect to forestry.
 - b. That Cabinet agree to incur fiscal costs associated with the *1 Hectare Mapping Standard* proposed for determining the area of forest land held by an owner of pre-1990 forest land.

Executive summary

Guidelines for Ministers administering Crown forest land

2. I propose a set of guidelines for Ministers' participation in the NZ ETS with respect to forestry. The guidelines will maximise net benefits from forest land administered by the Crown and minimise administrative costs.
3. For pre-1990 forest land administered by Ministers, I propose:
 - a. Ministers should not apply for an allocation of New Zealand units (NZUs) as partial compensation for the impact of the NZ ETS on land values (other than applications that they are legally obliged to make for Crown Forest Licensed land). Allocation to Ministers would amount to the Crown compensating itself with unnecessary administrative costs.
 - b. Ministers should be permitted to apply for a less-than-50 hectare exemption from NZ ETS obligations for deforestation of pre-1990 forest land (as provided for under the Act), following advice given by the department administering the land in consultation with their Treasury Vote analyst. This would ensure costs and benefits of deforesting small areas of pre-1990 forest land are considered on a case-by-case basis.
 - c. Ministers should be permitted to apply for an exemption from NZ ETS obligations for clearance of pre-1990 tree weeds. This would provide consistent treatment between tree weed clearance on Crown land and private land, and avoid increased fiscal costs.

4. For post-1989 forest land, I propose:
 - a. Ministers should not opt into the NZ ETS as independent post-1989 forestry participants. Allocation to Ministers would amount to a transfer within the Crown, which would not advantage departments because they cannot use revenue generated.
 - b. Ministers should retain the ability to partner with private investors for post-1989 afforestation projects on Crown land, consistent with work currently being undertaken.

Mapping standard for pre-1990 forest land

5. The Government must specify a mapping standard for pre-1990 forest land in order to implement the Forestry Allocation Plan (which partially compensates pre-1990 forest land owners for the impact of the NZ ETS on land values). I propose a *1 Hectare Mapping Standard* because:
 - it complies with the Act;
 - it is less complex than other standards; and
 - it is already being applied for post-1989 forest land.
6. Implementing the *1 Hectare Mapping Standard* requires agreement to the associated fiscal costs.

Financial implications

7. Decisions on the guidelines for Ministers administering Crown land under the ETS will reduce recorded expenses by approximately \$15.5m¹ during the First Commitment Period (CP1)² and \$32.5m after 2012. While this reduces appropriated expenditure, this is not actually a fiscal saving to the Crown – it merely prevents an internal transaction within the Crown.
8. A 1 hectare mapping mapping standard will cost around \$13.5m more than a 0.1 hectare mapping standard during CP1 up to 2012. Costs will be around \$30m after 2012.
9. The net effect will be to reduce appropriated expenditure by around \$2m in CP1, and by \$2.5m after 2012.

Background

10. The Act distinguishes between forests that were already established as at 1 January 1990 (pre-1990 forestry) and forests established after 31 December 1989 (post-1989 forestry). Under the Act owners of pre-1990 forest land face mandatory obligations for deforestation, and post-1989 foresters may voluntarily opt in as participants in the NZ ETS. Any Minister responsible for forest land owned by the Crown is usually deemed the owner of that land for the purposes of the NZ ETS. Currently no specific guidelines have been given to Ministers regarding their participation in the NZ ETS.

¹ All costs are in total costs rather than annual costs. Estimates are based on a carbon price of \$19.46 per emission unit (the current price) to the end of 2012, and \$25 per emission unit after 2012.

² CP1 refers to the First Commitment Period of the Kyoto Protocol from 2008 to 2012.

11. Under the Act, all parties (including Ministers administering Crown land) who deforest pre-1990 forest land are required to surrender an emission unit for each tonne of carbon dioxide emitted as a result. Owners of pre-1990 forest land are eligible to apply to receive an allocation of New Zealand units (NZUs) as partial compensation for the impact of the NZ ETS on land values. The Forestry Allocation Plan has been prepared for this purpose. There are also two types of exemptions from NZ ETS obligations for which owners of pre-1990 may apply:
 - a. **less-than-50 hectare exemption** - permanently exempts owners of less than 50 hectares of pre-1990 forest land (as at 1 September 2007) from obligations arising from deforestation; and
 - b. **tree weed exemption** - exempts owners of pre-1990 forest land from obligations arising from the deforestation of tree weeds (e.g. wilding pines).
12. Post-1989 foresters³ (including Ministers administering post-1989 forest land owned by the Crown) may voluntarily opt in as participants in the NZ ETS. Participation allows foresters to earn NZUs for the carbon dioxide their forests absorb. However, participants must surrender emission units in the event that the carbon stock of their forest subsequently declines (e.g. as a result of land clearance, fire or disease).
13. A mapping standard will determine the area of forest held by an owner of pre-1990 forest land. Typically a forest comprises not only areas with trees, but also includes small gaps (such as skid sites) and minor roads. To determine forest area on a consistent basis, the Government must specify the maximum gap size that may be mapped as forest land. This will affect the total amount of forest land that is eligible to claim units under the Forestry Allocation Plan and, by extension, the number of NZUs owners of pre-1990 forest land are entitled to receive.

Comment

Guidelines for Ministers administering Crown forest land

14. I propose the adoption of cross government guidelines for Ministers participation in the NZ ETS with respect to forestry. Providing guidelines will:
 - a. maximise net benefits from forest land administered by the Crown;
 - b. ensure effective cost-benefit analysis of forestry options for Crown land;
 - c. enable Ministers to choose the most suitable mechanisms for providing accurate incentives for forestry activity on Crown land; and
 - d. improve administrative efficiency by eliminating unnecessary transactions between the core Crown and Ministers/departments administering Crown land.
15. A number of other public sector bodies including Crown entities, state owned enterprises and local and regional councils will be impacted by the forestry

³ A post-1989 forester is usually the owner of post-1989 forest land, but can be a holder of a registered forestry right, registered leaseholder or a party to a Crown conservation contract.

provisions in the Act. However, the precise impact on these entities is unknown. There are also a number legal and operational challenges associated with issuing directives to these bodies that have greater independence from the Crown. Therefore, I do not propose that guidelines regarding participation in the NZ ETS apply to other public sector bodies.

16. Agreeing to the proposed guidelines will reduce recorded expenses by approximately \$15.5m in CP1 and \$32.5m after 2012. While this reduces appropriated expenditure, this is not actually a fiscal saving to the Crown – it merely prevents an internal transaction within the Crown.

Government participation and pre-1990 forests

Pre-1990 forestry allocation

17. The Act provides for allocation of NZUs to owners of pre-1990 forest land as partial compensation for the impact of the NZ ETS on land values. The Crown has an obligation under the Act to apply for 18 NZUs per hectare of Crown Forest Licensed (CFL) land⁴ that it owns when the Forestry Allocation Plan is issued. These NZUs will be passed on to iwi in the event that associated forest land is returned to them through a Treaty of Waitangi settlement.
18. Aside from CFL land, the Crown has a significant amount of pre-1990 forest land for which the administering Ministers are eligible to apply for an allocation. However, receiving an allocation would not affect the economic incentives for use of the Crown land and would amount to the Crown partially compensating itself for the loss of value on this land. Also, allowing Ministers to apply for an allocation would create additional administrative and internal transaction costs.
19. For the reasons above, I propose that Ministers should not apply for an allocation of NZUs for non-CFL land.
20. If Ministers decide to deforest any pre-1990 forest land they administer, they will require funding to cover the obligation to surrender units under the NZ ETS. I propose that decisions for funding deforestation obligations should be made on a case-by-case basis, as with other fiscal expenditure.

Less-than-50 hectare exemption

21. The less-than-50 hectare exemption is designed to avoid administrative and compliance costs, where these costs would outweigh the efficiency gains that arise from imposing obligations for deforestation.
22. Requiring Ministers to surrender emission units for all deforestation would ensure that they take into account the full costs to the Crown when assessing any proposal to deforest pre-1990 forest land. However for Ministers who administer small areas of pre-1990 forest land, the administrative costs of accounting for deforestation liabilities may outweigh the benefits. No data is available on Crown land that would be eligible for a less-than-50 hectare exemption, so it is difficult to assess whether Ministers should be allowed to apply for the exemption based on the costs and benefits to the Crown.

⁴ Land that has been set aside to be offered to iwi in future Treaty settlements.

23. I propose that Ministers are permitted to apply for a less-than-50 hectare exemption following advice given by the department administering the land in consultation with their Treasury Vote analyst. This advice would be based on factors such as the benefits and economic value of the alternative land use versus the costs of the exemption, with the intention of mitigating the risk of unexpected high fiscal costs from exemptions for Crown land.

Tree weed exemption

24. The tree weed exemption is designed to remove barriers for clearing pre-1990 tree weed forests, because clearing tree weeds is recognised to have significant economic and environmental benefits. There is a cap on the emissions liability the government will cover under this exemption. If the tree weed exemption is oversubscribed, applications with high environmental or potentially other benefits will be prioritised over projects with lower benefits.
25. Some government departments are mandated to undertake deforestation of tree weeds on Crown land, for example Land Information New Zealand, the Department of Conservation and the Ministry of Defence. If departments were required to fund deforestation liabilities for tree weed clearing from appropriations, their ability to continue this clearing might be constrained.
26. There are two options for ensuring that government departments are able to continue to clear tree weeds:
- a. allowing Ministers to apply for a tree weed exemption; or
 - b. preventing Ministers from applying for a tree weed exemption, but providing appropriations to cover obligations under the NZ ETS for deforesting pre-1990 tree weed forests.
27. If the tree weed exemption is oversubscribed, then allowing Ministers to apply for an exemption will ensure that the tree weed clearance proposals with the greatest benefits receive exemptions, regardless of whether they are on Crown land or private land. However, this option may be unpopular with private land owners if they did not receive an exemption because tree weed clearance on Crown land was deemed a higher priority. Furthermore, tree weed clearance on Crown land that is lower priority might miss out on an exemption, which could limit the ability of departments to carry out planned tree weed clearance work. Allowing Ministers to apply for a tree weed exemption would not generate any new fiscal costs, because the total emissions liability the government will cover under this exemption is capped.
28. The option of providing a separate appropriation for tree weed clearance would create a new fiscal cost and would not enable proposals on Crown land and private land to be assessed consistently.
29. On balance, I propose that Ministers are permitted to apply for a tree weed exemption as it efficiently provides for the most beneficial tree weed clearance and has the lowest fiscal cost.

Government participation and post-1989 forests

Ministers as independent participants

30. Ministers administering post-1989 forest land owned by the Crown may voluntarily opt in as participants in the NZ ETS and earn NZUs for the carbon dioxide their forests absorb. It is unclear how such NZUs should be treated and a process would need to be established to determine this. However, any flow of NZUs should net out within the Crown accounts as the Crown issues the units in the first instance.
31. Under section 4 of the Public Finance Act 1989, Government departments cannot use revenue earned from projects to fund other activities, so any NZUs earned could not be used for other expenditure. Therefore, the NZ ETS would not provide departments with financial incentives with respect to the management post-1989 forestry.
32. For the reasons above, I propose that Ministers should not opt into the NZ ETS as independent post-1989 forestry participants.

Afforestation on Crown land

33. The Government is currently progressing two afforestation programmes.
34. The first afforestation programme involves a specific commitment to make available 35,000 hectares of public conservation land for afforestation to five iwi that may have been disadvantaged by the NZ ETS. Under a Crown conservation contract the five iwi will be entitled to retain all NZUs earned through the growth of forests, for the duration of the contract.
35. The second programme involves the development of a standardised structure for contracts that enable private investors to undertake afforestation activities on Crown land. Under these contracts private investors would receive a proportion of NZUs earned through the growth of forests, and be required to return a proportion of the NZUs to the Crown in return for the right to use Crown land.
36. I propose that the option to enter into partnerships with private investors for post-1989 afforestation projects on Crown land be kept open.
37. In the absence of Ministers' participation in the NZ ETS as post-1989 foresters, I propose that a cross-departmental approach to identifying broader afforestation opportunities on Crown land is considered. These opportunities would be assessed based on the costs and benefits of the uses of Crown land, in the context of the Government's overall climate change objectives.

Mapping standard for pre-1990 forest land

38. I have considered three mapping standards:
 - a. **1 Hectare Mapping Standard** - would require participants to remove gaps in a forest that are greater than 1 hectare in size if those gaps have an average width between tree crowns of more than 15 metres. This mapping standard is presently used for post-1989 forest land registrations in the ETS.

- b. **0.7 Hectare Mapping Standard** - would require landowners to remove gaps in a forest that are greater than 0.7 hectare in size if those gaps have an average width between tree crowns of more than 15 metres. Crown Law advice suggests this mapping standard represents the minimum gap that can be included to meet the legal requirements of the Act.
 - c. **0.1 Hectare Mapping Standard** - would require landowners to remove gaps in a forest that are greater than 0.1 hectare in size if those gaps have an average width between tree crowns of more than 6 metres. This option is similar to the mapping approach taken by professional foresters with large landholdings.
39. Recent Crown Law advice finds that the *0.1 Hectare Mapping Standard* would be inconsistent with the Act and present significant legal issues. Therefore adopting the *0.1 Hectare Mapping Standard* would require an amendment to the Act, which is not desirable at present.
 40. Either the *0.7* or *1 Hectare Mapping Standard* would be consistent with the Act. However, these standards will increase the fiscal cost of the Forestry Allocation Plan above previous estimates. This is because previous estimates were based on the *National Exotic Forest Description* (the only available information at the time), which is derived from data from larger commercial forests mapped to exclude gaps larger than 0.1 hectare.⁵ Specifying the *0.7 Hectare Mapping Standard* is expected to create a \$12m cost in CP1 (and \$25m after 2012). Specifying a *1 hectare Mapping Standard* is expected to create a \$13.5m cost in CP1 (and \$30m after 2012).
 41. I propose that the *1 Hectare Mapping Standard* is adopted, because it is less complex than the *0.7 Hectare Mapping Standard* and is already being applied for post-1989 forest land. There is also likely to be less industry resistance to this approach. Implementing the *1 Hectare Mapping Standard* requires agreement to the associated fiscal costs.

Consultation

42. Discussions were held with Crown departments that owned pre-1990 forest land during the development of proposed guidelines for Ministers' participation in the NZ ETS with respect to forestry. The proposed mapping standard was developed jointly by the Ministry of Agriculture and Forestry, Ministry for the Environment and the Treasury.

Financial implications

43. The Government's objective in terms of the NZ ETS implementation is that it is fiscally neutral in relation to original policy decisions. Although each individual policy should ideally retain this neutrality, this is not always possible due to the practicalities of implementation causing some costs to be either higher or lower than estimated. The aim is that overall costs are neutral.

⁵ NEFD uses a 0.1 hectare standard because it is based on mapping for timber yields – not carbon forestry (which necessitates a different approach because of the definition of forest land in the Act).

44. The decision to instruct Ministers to follow the guidelines for Crown land set out above has no impact on net fiscal costs because a transfer to Crown land amounts to an internal transaction within the Crown. However, because of the way these costs are recorded in accounts, this decision would decrease recorded expenses by approximately \$15.5m in CP1 (and \$32.5m after 2012).
45. Specifying the *0.7 Hectare Mapping Standard* would create a \$12m cost in CP1 (and \$25m after 2012). Specifying a 1 hectare mapping standard would create a \$13.5m cost in CP1 (and \$30m after 2012).
46. The combined impact of the suggested approach to Crown land and the *1 ha Mapping Standard* will not increase the Crown's recorded expenditure. The overall effect of the above yields a net reduction to the forecast costs of \$2m for CP1 and \$2.5m after 2012.

Table 1: Costs of policy options (brackets denote a saving)

	Commitment Period 1 (up to 31 December 2012)	Post Commitment Period 1
Treatment of Crown land	(\$15.5)	(\$32m)
1 ha Mapping Standard	\$13.5	\$30m
Net Impact	(\$2m)	(\$2.5 m)

47. The Act (as amended in 2009) fixes the number of units per hectare that individual landowners will receive. Thus, any change to the estimated forest land area or uptake of units for pre-1990 forest land changes the Crown's liability and the required level of appropriations.
48. Further factors that may change the liability and required appropriations are the different proportions of owners applying for an allocation versus an exemption, or more landowners than expected making no application at all. Officials have used the best information available when costing the Forestry Allocation Plan, but exact information will not be available until the application processes have been completed.
49. Because of the uncertainties of final amounts, the Treasury recommends that net savings from the combined policy changes have no impact on the Between Budget Contingency.
50. In the Crown's financial statements, NZ ETS revenue and expenses have been modelled as neutral for the years post-2012 as New Zealand currently has no international commitments post-2012. The post-2012 accounting treatment is currently being reviewed and will be updated for the 2010 October Baseline Update.

Human rights, gender implications, disability perspective, legislative implications and regulatory impact analysis

51. There are no human rights issues, gender implications or disability issues associated with the proposals contained in this paper.

52. No legislation is proposed with this paper.
53. A regulatory impact analysis is not required for the proposals contained in this paper.

Publicity

54. The mapping standard will be publicised by the Ministry of Agriculture and Forestry as part of the wider road shows and communications on the Forestry Allocation Plan. This Cabinet paper will be published on the Ministry for the Environment's website after appropriate withholdings have been made.

Recommendations

55. The Minister for Climate Change Issues recommends that Cabinet:

Guidelines for Ministers administering Crown forest land

1. Agree that Ministers should not apply for an allocation of New Zealand units for pre-1990 forest land
2. Agree that Ministers should be permitted to apply for a less-than-50 hectare exemption for pre-1990 forest land, following advice on a case-by-case basis from the department administering land in consultation with their Treasury Vote analyst
3. Agree that Ministers should be permitted to apply for a tree weed exemption for liabilities arising from deforestation of pre-1990 forest land
4. Agree that Ministers should not participate independently in the New Zealand Emissions Trading Scheme as post-1989 foresters
5. Agree that Ministers should retain their ability to partner with private investors to earn New Zealand units from post-1989 forests on Crown land
6. Note the guidelines for Ministers' participation in the New Zealand Emissions Trading Scheme with respect to forestry will decrease recorded expenses by approximately \$15.5m the end of 2012 (and \$32.5m after 2012)
7. Agree that the guidelines for participation in the New Zealand Emissions Trading Scheme with respect to forestry should not apply to other public sector bodies including Crown entities, state owned enterprises and local and regional councils

Mapping standard for pre-1990 forest land

8. Agree to incur a \$13.5m fiscal cost to end of 2012 (and approximately \$30m after 2012) as a result of the proposed 1 Hectare Mapping Standard
9. Note the net effect will be to reduce appropriated expenditure by around \$2m to the end of 2012, and by \$2.5m after 2012 once the guidelines for Ministers administering Crown land are taken into account.

Financial implications

10. Approve the following changes to appropriations to reflect the net impact of the treatment of Crown Land and the Mapping Standard with a corresponding impact on the operating balance and no impact on the Between Budget Contingency

Climate Change Minister for Climate Change Issues	\$m – increase/(decrease)				
	2009/10	2010/11	2011/12	2012/13	2013/14
Non Departmental Other Expenses: Allocation of New Zealand Units	-	(\$2.029)	-	-	-

11. Agree that the proposed changes to appropriations for 2010/11 above be included in the 2010/11 Supplementary Estimates
12. Note the final allocation of costs over time is uncertain and Joint Ministers may amend these appropriations at future baseline updates to reflect the actual phasing of costs



Hon Dr Nick Smith
Minister for Climate Change Issues

15 / 7 / 2010