

BRF 25-038 Talking points for meeting with Mark Belton, Permanent Forests – Thursday 8 August 2024

Ki / To: Hon Chris Penk, Minister for Land Information

Rā / Date: 6 August 2024

Meeting details

Meeting details	
Who the meeting is with	Hon Todd McClay, Minister of Forestry Hon Simon Watts, Minister for Climate Change Hon Tama Potaka, Minister of Conservation (attendance to be confirmed) Mark Belton, Director, Permanent Forests NZ Limited Mathilde and Oliver Belton, Directors, Carbon Forests Services MPI officials and a LINZ official will also be in attendance
When the meeting is taking place	12:30pm-1pm, Thursday 8 August 2024
Where the meeting will take place	4.3R Beehive
What is the topic of the meeting	Pre-1990 forest carbon removals opportunity and New Zealand's 2030 Nationally Determined Contribution and Net Zero target

Purpose

- To provide you with Land Information-specific talking points (**Attachment 1**) for a meeting with Minister McClay, Minister Watts and Mark Belton, Director of Permanent Forests NZ Limited. Hon Tama Potaka has not yet confirmed his attendance. LINZ understands that Mathilde and Oliver Belton, Directors at Carbon Forests Services, are also attending.

Comment

Opportunities relating to pre-1990 forests

- Mark Belton requested this meeting to discuss an opportunity to contribute to the Government's emissions reduction targets by increasing the amount of carbon that is stored in mature forests. These are forests planted before 1 January 1990 ('pre-1990 forests').¹

¹ 1990 is the base year for measuring emissions reductions under the Kyoto Protocol.

- 3 In brief, Mr Belton's position is that:
 - a Participants in the New Zealand Emissions Trading Scheme (NZ ETS) cannot claim carbon credits for pre-1990 forests.
 - b There is scope to increase the carbon stored in these forests by controlling wild animals such as possums (which eat or damage forest vegetation and reduce carbon stocks in forests).
 - c The Government should create a regulatory framework that enables more carbon to be stored in pre-1990 forests.
 - d The Government should task officials and the carbon and forest industry to start work on this opportunity.
- 4 The topic of the meeting falls largely within Minister Watts' Climate Change portfolio and Minister McClay's Forestry portfolio.

Opportunities specific to the Land Information portfolio

- 5 If Ministers McClay and Watts choose to pursue this opportunity, there may be opportunities in respect of land in your Land Information portfolio.
- 6 Mr Belton notes this in his email and says: "Pastoral Lease (LINZ) and other Crown lands, over 1 million ha, are an important part of this opportunity, and need to be brought into play".
- 7 There are mature forests on pastoral leases and these may benefit from reducing the number of animals eating and damaging vegetation.
- 8 The talking points in **Attachment 1** comment on this opportunity in relation to Crown pastoral land.

Barriers to carbon sequestration on Crown pastoral land

- 9 Mr Belton's email also notes the barriers to carbon forestry on Crown pastoral land and says "I have been working with LINZ, trying to get through the current regulatory impasse that is preventing lease holders from doing carbon forestry". LINZ understands that this regulatory impasse refers to the provisions in Crown pastoral and climate change legislation that prevent lessees from participating in the NZ ETS.
- 10 The talking points in **Attachment 1** respond to this point by noting your interest in identifying a practical mechanism for afforestation on Crown pastoral land that aligns with Government objectives and can be implemented in a timely manner.
- 11 Mr Belton has been a long-standing stakeholder in respect of Crown pastoral land. His involvement extends back to the 1990s when he was part of a joint venture to develop forest areas on the Glen Lyon pastoral lease.
- 12 In 2022, Mr Belton acted as a forestry consultant for the owners of the Brooksdale Station and Glen Lyon pastoral leases.
- 13 At Brooksdale, enquiries were made to obtain agreement from the Crown for NZ ETS registration of forest areas located on the lease. LINZ advised that it could not grant the necessary consent and the enquiry did not progress.

- 14 At Glen Lyon, an application was made by the lessee to plant trees, with a view to be subsequently registered with the NZ ETS. A determination is yet to be made on the application to plant trees but Mr Belton has been advised that pastoral lessees are not currently eligible to be participants in the NZ ETS.

Toitū Te Whenua Land Information New Zealand Whakapā/contacts

Ingoa/Name	Tūnga/Position	Nama waea/ Contact number	Whakapā tuatahi/ First contact
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Tāpiritanga/Attachments

Attachment 1: Talking points

Released under the Official Information Act 1982

Attachment 1 – Talking points

Opportunities on Crown land

Afforestation generally

- 1 My colleagues and I are looking at the opportunities for afforestation of Crown land.
- 2 The largest opportunity in my Land Information portfolio relates to the Crown pastoral estate, where up to about 300,000 hectares may be suitable for afforestation.

Pre-1990 forests

- 3 Parts of Crown pastoral land have pre-1990 forest.

Cooperative approach

- 4 As you know, any afforestation activity on Crown pastoral land would require cooperation between the Crown which owns the land and the lessee which has the perpetual lease to use the land for pastoral farming purposes.

Focus on natives

- 5 Under the current legislative outcomes of the Crown Pastoral Land Act 1998 (CPLA), afforestation activity would also need to enhance or maintain inherent values of the pastoral estate and would likely consist of native species suited to specific locations within a lease.

Barriers to carbon forestry on Crown pastoral land

Mr Belton's interactions with LINZ

- 6 I acknowledge the effort you've made to work cooperatively with LINZ to seek opportunities for afforestation on Crown pastoral land.
- 7 Any consents you or your clients are pursuing with LINZ are matters best left with LINZ but I would be happy to discuss the policy settings for afforestation on this type of land.

Current focus

- 8 My focus is to identify a practical mechanism for afforestation on Crown pastoral land that aligns with Government objectives and can be implemented in a timely manner.

Potential for a new type of permit

- 9 In relation to regulatory barriers to afforestation, I have asked LINZ to consider amendments to the Land Act 1948 and the CPLA to provide for carbon sequestration on Crown pastoral lease land.

Lessees cannot currently enter the NZ ETS

- 10 We are also aware that pastoral lessees are not eligible to be participants in the NZ ETS under the Climate Change Response Act 2002. As you are aware from your interactions with LINZ:
 - a A lessee on private land can enter the NZ ETS with the private owner's consent, but there is no similar provision for lessees of Crown land.
 - b Another way to enter the NZ ETS is with a forestry right but LINZ has advised that the legislative provisions for forestry rights and Crown pastoral land do not sit well together.

Ministers are considering the pros and cons of the NZ ETS and its alternatives

- 11 Some amendments to climate change legislation could fix these issues but first we need to decide if the ETS is the right mechanism.
- 12 There are mechanisms other than the NZ ETS and these include the voluntary carbon market and direct Crown-lessee agreements to provide for afforestation.
- 13 Ministers and our officials are considering the pros and cons of different mechanisms and will make a decision within the wider context of Government climate change policy.

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