

Appendix 2

Forestry Allocation Plan Matters Prescribed in the Act

Sections 71 and 72 of the Climate Change Response Act 2002:

71 Allocation in respect of pre-1990 forest land

(1) The Minister must exercise his or her powers under this subpart to ensure that an allocation plan that provides for the matters in this section and **section 78(2)** is in force for the period from **1 January 2008 to 31 December 2021**.

(2) The matters that an allocation plan must provide for are:

(a) an allocation of New Zealand units free of charge to:

(i) landowners, or former landowners, of eligible land who are eligible persons; or

(ii) a person appointed in accordance with **section 72** to hold any New Zealand units allocated in respect of the eligible land covered in **paragraph (c)(i)(A)**; and

(b) a total number of New Zealand units available for allocation free of charge under the allocation plan consisting of:

(i) 21 million New Zealand units in the period from **1 January 2008 to 31 December 2012**, reduced by 1 New Zealand unit for each tonne of emissions that the Minister estimates will result from the activities specified in **subsection (5)** in that period; and

(ii) 34 million New Zealand units in the period from **1 January 2013 to 31 December 2021**, reduced by 1 New Zealand unit for each tonne of emissions that the Minister estimates will result from the activities specified in **subsection (5)** in that period; and

(c) an allocation of New Zealand units free of charge consisting of:

(i) 18 New Zealand units for each hectare of eligible land that was Crown forest licence land on **1 January 2008** and—

(A) will not have been transferred to iwi as part of a Treaty of Waitangi settlement by the date on which the allocation plan is issued; or

(B) has been, or will have been, transferred to iwi as part of a Treaty of Waitangi settlement either on or after **1 January 2008** but before the date on which the allocation plan is issued:

(ii) 39 New Zealand units for each hectare of eligible land that was transferred to the landowner, or former landowner, of the land—

(A) after **31 October 2002**; or

(B) prior to **1 November 2002** if, since that date, ownership of any body corporate owning the land has changed in the manner and to the extent specified in the allocation plan:

(iii) for any hectare of eligible land not covered in **subparagraph (i) or (ii)**, the number of New Zealand units calculated in accordance with the following formula:

$$A = \frac{B - C}{D}$$

where

A is the number of units for each hectare of eligible land not covered in **subparagraph (i) or (ii)**

B is the total number of New Zealand units available for allocation under **subsection (2)(b)**

C is the total number of New Zealand units to be allocated in accordance with **subparagraph (i) and (ii)**

*D is the number of hectares of eligible land not covered in **subparagraph (i) or (ii)**.*

*(3) In addition to the matters provided for in **subsection (2)**, an allocation plan: transferred for the purposes of this section.*

*(4) Despite **subsection (2)(c)**, the allocation plan must treat any Crown forest licence land transferred pursuant to the Te Uri o Hau Claims Settlement Act 2002 as if it were eligible land covered by **subsection (2)(c)(iii)**.*

*(5) For the purposes of **subsection 2(b)(i) and (ii)**, the activities are:*
(a) deforestation on exempt land; and
(b) deforestation of 2 hectares or less of pre-1990 forest land for which no obligation to surrender units is imposed under this Act.

(6) An allocation plan that provides for the matters in this section may:
*(a) provide for the New Zealand units referred to in **subsection (2)(b)(ii)** to be allocated at any time; and*
(b) specify dates before which some or all of those New Zealand units may not be surrendered or converted by any person.

(7) For the purposes of this section, eligible land is to be treated as transferred on the settlement date, unless the allocation plan specifies another date or event upon which any or all eligible land is to be treated as transferred.

*(8) For the purposes of this section, **Crown forest licence land** means eligible land subject to a Crown forestry licence under section 14 of the Crown Forest Assets Act 1989.*

72 Minister to appoint person to hold certain New Zealand units

*(1) The Minister must, prior to making a determination in respect of eligible land covered by **section 71(2)(c)(i)(A)**, by notice in the Gazette:*

- (a) appoint a person to:*
 - (i) apply for an allocation of New Zealand units in respect of the land; and*
 - (ii) hold on trust for the future owners of the land any New Zealand units allocated in respect of the land; and*
- (b) determine:*
 - (i) the structure, composition, and functions of the person; and*
 - (ii) the terms and conditions upon which the person is to hold the New Zealand units.*

*(2) If the Minister has not appointed a person in accordance with **subsection (1)** prior to issuing a notice under **section 82(1)** inviting persons to apply for an allocation of New Zealand units under an allocation plan providing for the matters in **section 71**, then the Minister must, by notice in the Gazette, appoint a person to apply for an allocation of New Zealand units in respect of the land covered by **section 71(2)(c)(i)(A)** on behalf of the person to be appointed under **subsection (1)**.*

