

**TE
TUMU
PAEROA**

Office of the Māori Trustee



The Māori Trustee's submission on Climate change (Forestry sector) Regulations 2022

August 2022

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Table of Contents

Summary of Position.....	4
General Submissions.....	
Engagement	
Specific Submissions	5
Averaging Accounting (page 4).....	5
Permanent Forest Category (page 8).....	5
Predominant Species (page 9).....	6
Field Measurement Approach (page 10)	6
Grant Funded Forests (page 15)	7
Conclusion	9
Appendices	10
Appendix A – The Māori Trustee and Te Tumu Paeroa	10



Summary of Position

1. The Māori Trustee administers, as trustee or agent, nearly 90,000ha of Māori freehold land on behalf of approximately 100,000 individual Māori landowners. Te Tumu Paeroa is the organisation that supports the Māori Trustee to carry out her functions, roles and responsibilities. Detailed information regarding the Māori Trustee and Te Tumu Paeroa is set out in Appendix 1. Additional information can be found on Te Tumu Paeroa's website, www.tetumupaeroa.co.nz.
2. The views expressed in this submission are those of the Māori Trustee as the single largest administrator of Māori land in Aotearoa. The sheer scale and varied nature of the Māori land we administer, for approximately 100,000 beneficial owners, necessarily means our views may not be shared by some of the owners of the land impacted by the regulations. Further, and to labour the point, the Māori Trustee does not speak for or otherwise represent iwi, hapū or other holders of Māori land, some of whom are likely to submit on the regulations.
3. The Māori Trustee supports the intention of the draft regulations to implement changes under the Climate Change Response (Emissions Trading Reform) Amendment Act 2020, particularly the simplification and move to the “averaging accounting” system.
4. The Māori Trustee summarises the main points in her submission as follows:
 - a. The Māori Trustee supports the proposed penalties for clear-felling forests registered in the permanent category to discourage clear-felling. The Māori Trustee supports option 1, as set out in the explanatory notes, to use the actual age of the forest to determine the penalties, which is fairer on the forest owner. Using the “fixed age approach” would unfairly penalise forest owners.
 - b. The Māori Trustee supports the approach to use the same definition of ‘predominant forest species’ in the draft regulations as is in the current Forestry Regulations. This will help avoid perverse outcomes if a forest is allowed to transition from an exotic to indigenous forest.
 - c. The Māori Trustee supports the transition from the Permanent Forest Sink Initiative (PFSI) to the NZ ETS and considers what is proposed is consistent with other aspects of the ETS.
 - d. The Māori Trustee considers that it is sensible to allow grantees to pay back grants to allow them to enter the forest into the ETS. This includes repaying the actual amount of the grant paid.
5. The Māori Trustee would welcome the opportunity to discuss her submission with staff from the Te Uru Rākau – New Zealand Forest Service.



Climate Change (Forestry Sector) Regulations 2022

Specific Submissions

The specific submission below is in response to questions in the “Explanatory Note: Climate Change (Forestry Sector) Regulations 2022”.

Averaging Accounting (page 4)

1. Do you think implementing two age bands for short rotation forests sufficiently discourages early harvesting?

- Yes
- No

Why or why not?

The Māori Trustee considers that having two age bans is sensible. It is a simple, easily understood and easy to implement.

2. Is the proposed content of these draft regulations sufficient to describe averaging accounting?

- Yes
- No

Why or why not?

The Māori Trustee considers that the regulations clearly set out the default average age for each species.

They also clearly set out that for second or subsequent rotation forests, the average age of the first rotation will be used.

Permanent Forest Category (page 8)

3. Do you think the proposed penalties for clear-felling forests registered in the permanent category sufficiently discourage clear-felling?

- Yes
- No



Climate Change (Forestry Sector) Regulations 2022

Why or why not?

The Māori Trustee supports option 1, using the actual age of the forest, which is fairer. Using the “fixed age approach”, where the penalty is based on a forest age of 50, would unfairly penalise forest owners.

4. Is the proposed content of these draft regulations sufficient to describe the method for calculating the penalty for clear-felling forests registered in the permanent category?

- Yes
- No

Why or why not?

The Māori Trustee considers that the regulations clearly set out what the penalty will be.

Predominant Species (page 9)

5. Do you think this approach will sufficiently simplify the current rules for determining the predominant forest species where they are impractical to apply, while maintaining sufficient accuracy?

- Yes
- No

Why or why not?

The Māori Trustee supports the approach to use the same definition of ‘predominant forest species’ in the draft regulations as is in the current Forestry Regulations. This will help avoid perverse outcomes if a forest is allowed to transition from an exotic to indigenous forest.

Field Measurement Approach (page 10)

6. Is the proposed content of these draft regulations sufficient to describe and implement the changes to the FMA?

- Yes
- No



Climate Change (Forestry Sector) Regulations 2022

Why or why not?

The Māori Trustee supports the changes, which will reduce complexity and compliance costs for ETS participants using the *Field Measurement Approach*.

7. Do you think that the 'less than two active plot' test should be applied by:

- Forest Class (exotic, indigenous); or
- Forest Type; or
- Across all an FMA participants registered post-1989 forest land?

Please explain the reason for your preference.

The Māori Trustee has no specific preference for how the 'less than two active plot' test should be applied.

8. Do you agree with the proposed approach to applying FMA rules to participants transitioning from the PFSI to the NZ ETS following their transition into the NZ ETS?

- Yes
- No

Why or why not?

The Māori Trustee supports the transition from the Permanent Forest Sink Initiative (PFSI) to the NZ ETS and considers what is proposed is consistent with other aspects of the ETS.

Grant Funded Forests (page 15)

9. Do you agree with the proposed approach to allow grant participants to pay back their grant prior to the end of the specified period to register in the NZ ETS and earn NZUs?

- Yes
- No

Why or why not?

The Māori Trustee considers that it is sensible to allow grantees to pay back grants to allow them to enter the forest into the ETS. This includes repaying the actual amount of the grant paid.



Climate Change (Forestry Sector) Regulations 2022

10. Is the proposed content of these draft regulations sufficient to describe how to apply the stand down periods to carbon accounting for grant funded forests?

- Yes
- No

Why or why not?

The Māori Trustee considers that a simple explanation is provided.



Conclusion

6. The Māori Trustee looks forward to discussing this submission with Te Uru Rākau – New Zealand Forest Service officials.

7. Please contact [REDACTED]
[REDACTED]

Dr Charlotte Severne
Māori Trustee



Appendices

Appendix A – The Māori Trustee and Te Tumu Paeroa

Who We Are

8. The Māori Trustee is appointed by the Minister for Māori Development under the Māori Trustee Act 1953. The role of the Māori Trustee, is to provide accurate and timely administration and management of whenua and other client assets in compliance with the principles and obligations of trusteeship and agency, and in accordance with the Māori Trustee Act 1953, Trusts Act 2019, Te Ture Whenua Māori Act 1993 and other legislation. The current Māori Trustee, Dr Charlotte Severne, was appointed for a three-year term in September 2018 and was re-appointed for a five-year term in October 2021.
9. Te Tumu Paeroa is the organisation that supports the Māori Trustee to undertake her functions, duties and responsibilities.
10. The Māori Trustee administers around 88,000 hectares of Māori freehold land, as well as general land and other interests and investments, on behalf of approximately 100,000 Māori Land owners.
11. A primary objective of The Māori Trustee, is to protect, utilise and grow the assets of our Māori land owners. The organisation provides land administration and professional trustee and agency services to one third of all Māori land trusts (over 1,700 trusts), as well as targeted development and sector-specific expertise. The organisation is involved in the management of a number of Māori enterprises and development projects.
12. The Māori Trustee currently employs 124 staff across five offices throughout New Zealand, with the Māori Trustee located in Te Whanganui-a-Tara. Our organisation is made up of, but not limited to, trust and property management, law, client services, and other specialist teams. Our employees are focussed on protecting and enhancing the whenua Māori that we have the privilege to administer on behalf of its landowners and their tipuna.
13. Te Tumu Paeroa is unique, in that it is the only nation-wide organisation that manages significant tranches of Māori land and assets on behalf of Māori landowners.

Our Vision and Priorities

14. Our vision is: *Ko Te Tumu Paeroa tēnei, te tauawhi nei, te taunaki nei, te tiaki nei ngā whenua Māori mō naianei, mō āpōpō hoki. Ensuring Māori land is protected and enhanced, now and for generations to come.*



Our vision requires a careful balance between protection of the whenua and taiao and enhancement of the whenua through a range of pathways, including commercial development.

15. Our purpose is to be a dedicated professional trustee service for Māori.
16. Our strategic priorities assist us to deliver on our vision and purpose:
 - a. Ensuring consistent delivery of professional trustee services.
 - b. Building trust and confidence across all of our engagements.
 - c. Demonstrating leadership in meeting new challenges to governance and administration of whenua Māori.
17. Our responsibility as trustee in the context of the draft National Policy Statement for Indigenous Biodiversity, is to ensure that the voices of the whenua that we are responsible for, and those landowners who whakapapa to that whenua, are heard and understood.

Our Portfolio

18. Our portfolio currently¹ consists of the following:
 - a. Number of trusts and other entities under administration – 1,751.
 - b. Number of hectares under management – 88,000.
 - c. Number of owner accounts maintained – 100,793.
 - d. Number of ownership interests – 252,580.
 - e. Number of leases administered – 1,732.
 - f. Client funds under management (market value) – \$ 133.2 million.
 - g. Māori Trustee equity – \$ 170.7 million.

Our Mahi

19. The Māori Trustee has the responsibility to ensure that the best interests and outcomes for Māori land owners are advanced by Te Tumu Paeroa's mahi.
20. Our core services are:
 - a. Administering trusts as responsible trustee, custodian trustee, and agent
 - b. Convening, running and recording proceedings of meetings of beneficial owners
 - c. Responding to requests for information
 - d. Consulting with advisory trustees and owners
 - e. Leasing property on behalf of owners and administering leases
 - f. Collecting rent and managing arrears and bad debts

¹ The Māori Trustee Annual Report 2021



- g. Managing contracts for service entered into by trusts
- h. Managing and investing cash assets in the Common Fund
- i. Reporting to beneficial owners
- j. Acquiring and paying for goods and services
- k. Preparing financial statements and annual tax returns
- l. Keeping records for trusts we administer
- m. Making trust distributions to owners
- n. Administering grants and scholarships
- o. Making applications to the Māori Land Court
- p. Reviewing land use and considering, where appropriate, alternative land use options
- q. Developing and enhancing property and land management including Asset Management and Farm Environment Plans
- r. Managing and providing support services for the General Purposes Fund

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