

Afforestation Grant Scheme

What's available and for how long?

- \$38M nationally, split into two pools
- Public pool and Regional Council pool
- \$19m each until 30 June 2014, currently \$3.5M per year
- Public pool is a tender system
- Regional Council pool is a fixed grant system
- The system calculates the NPV of carbon to determine the maximum grant rate (2009/10 Fast C, max. rate \$2,629/ha, R/C fixed grant \$2,400/ha)

Afforestation Grant Scheme

Public pool

- Application dates 30 April and 31 October each year
- Weighting system used to recognise soil conservation, water quality and biodiversity
- Large areas or whole farms are directed to this pool
- 26 tenders accepted in the first two rounds from 46 applications
- 1,889 hectares afforested at a cost of \$2,960,000
- Fully allocated for 2010/11

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Regional Council pool

- 10 Regional Councils participating in the agreement, six have made an application
- Application dates 31 March and 31 October each year
- Land eligibility - same as for Public pool
- National Allocation Panel approves final list
- Regional Councils receive a service fee (7.5%) for their efforts
- Grants need to align roughly with Public pool tender averages

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Regional Council pool - continued

- Greater emphasis on co-benefits of soil erosion, water quality and biodiversity
- Scoring system established to meet the co-benefit requirements
- As with the Public pool a 70:30 split between fast and slow carbon species (max. 30% slow C)
- Funds held by Hawkes Bay Regional Council
- 2009/10 fully allocated, \$3M available in 2010/11 (approx. 1,400 hectares)

Afforestation Grant Scheme

Approvals to date – 30 June 2009

	Public Tender	Regional Council	Totals
Tenders received	46	66	112
Grants approved	26	66	92
Value of grants	\$2.96M	\$5.47M	\$8.43M
Area planted	1,889 hectares	2,314 hectares	4,203 hectares
Av. area per grant	72.6 hectares	35.0 hectares	45.7 hectares
Av. grant per hectare	\$1,566	\$2,363	\$2,006

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Approvals to date – 30 June 2009 (Regional Council Pool only)

	Applications	Area	Percentage	Av. Area
Waikato	3	175.5	7.6%	58.5
Hawkes Bay	13	262.5	11.4%	20.2
Horizons	16	480.0	20.7%	30.0
Taranaki	12	319.8	13.8%	26.7
Wellington	21	795.7	34.4%	37.9
Canterbury	1	280.0	12.1%	280.0
Totals	66	2,313.5		35.0 (Average)





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Regional Council pool - issues

- Oversubscription (six active Councils)
- National consistency in scoring applications
- Lobbying for more funds (Budget cuts removed \$6M)
- Forestry vs farming interests
- Southland interested in joining
- Service fee for Councils (GW and HBRC)
- Grant Scheme not baseline funded, last application round likely to be March 2013

Afforestation Grant Scheme

Regional Council pool - impressions

- Working well, targeting ‘right” land use and reinforcing relationships with landowners
- Degree of simplicity with fixed grant rates
- Audits will be a defining point for participating Councils
- Integrating well into other regional programmes e.g. SLUI, WRECI and STRESS
- Effective addition to the tool box for achieving land use change