

The Climate Change Response
Amendment Bill
June 2005

Submission of *Local Government New Zealand*
to the Commerce Select Committee



Local Government New Zealand

te pūtahi matakōkiri

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Introduction

1. *Local Government New Zealand* thanks the Commerce Select Committee for the opportunity to comment on the Climate Change Response Amendment Bill.
2. *Local Government New Zealand* makes this submission on behalf of the National Council representing the 74 territorial authorities and 12 regional councils of New Zealand. The Bill is relevant to our organisation as local authorities (both regional councils and territorial authorities) have responsibilities for parks and reserves under the Reserves Act 1977, the Local Government Act 1974 and the Local Government Act 2002. Such parks and reserves have the potential to be used for the permanent forest sinks mechanism.

Process to prepare a local government submission

3. *Local Government New Zealand* prepared the submission following discussion with officers in some local authorities. It incorporates their feedback.
4. The final submission was endorsed by David Walter as the *Local Government New Zealand* National Council member overseeing the Environment Portfolio.

The key points

5. *Local Government New Zealand's* comments relate to Part 2 of the Bill which deals with a "Mechanism allowing landowners to access value created by Kyoto Protocol of sequestering carbon on land through establishment of forest sink covenants": *Local Government New Zealand's* key points are:
 - We agree with the intent of Part 2 of the Bill to provide a mechanism to allow landowners to access the value created by the Kyoto Protocol from sequestering carbon on land through establishment of a permanent forest sinks mechanism.
 - We consider that the permanent forest sinks mechanism will have positive spin-offs for biodiversity, soil conservation and a range of other functions relevant to local authorities, as well as for climate change.
 - Several local authorities have indicated an interest in using the permanent forest sinks mechanism where they are undertaking plantings, particularly on reserve land. However, they are concerned that the requirement in the Bill for a covenant to be registered on the title to the land may, in some circumstances, stop them from taking advantage of the permanent forest sinks mechanism.
 - For example, one concern is that in some instances local authorities are appointed to control and manage land on behalf of the Crown as reserve or Crown land may be vested in a local authority as reserve. In such cases the title to the land usually stays with the Crown. The Bill appears

to require the registering of a forest sink covenant on the title to the land (proposed new section 67ZD of the Forests Act 1949). Therefore a local authority would need to obtain the consent of the Crown to a covenant being registered on the title, if it is legally possible for the Crown to register such a covenant on its own land.

- *Local Government New Zealand* has raised these issues with officials at the Ministry of Agriculture and Forestry. The officials were not able to provide a response to our concerns, at that stage, and undertook to investigate them further with their legal section.

Action Sought

6. *Local Government New Zealand* seeks changes to the Bill to:
 - make it clear that local authorities can benefit from the permanent forest sinks mechanism, as landowners or administering authorities of land; and
 - remove any barriers to local authorities benefiting from the permanent forest sinks mechanism on reserve and other land it owns or administers, particularly where the land is held in some form of land tenure where the council does not necessarily hold the title to the land.

Conclusion

7. In conclusion, *Local Government New Zealand* supports the intent of Part 2 of the Climate Change Response Amendment Bill to provide a mechanism to allow landowners to access the value created by the Kyoto Protocol from sequestering carbon on land through establishment of a permanent forest sinks mechanism.
8. We are concerned that the requirement in the Bill for a covenant to be registered on the title to the land may, in some circumstance, stop local authorities from taking advantage of the permanent forest sinks mechanism.
9. We seek appropriate amendments to the Bill to resolve this concern and are happy to work with government officials on the matter, if that would be of assistance.
10. *Local Government New Zealand* wishes to be heard in support of its submission.