

Afforestation Grant Scheme (AGS) – Frequently Asked Questions

Q: What is the primary objective of the AGS?

A. The primary objective is to establish 15,000 hectares of new forest with priority going to environmental benefits such as reducing soil erosion.

Q. Who can apply to the AGS?

A. Individuals, business entities, trusts, state owned enterprises and local government may apply for AGS grants provided they own the land, or have the legal right to use the land for forestry.

Q. Why have an AGS?

A. Afforestation has declined over the last decade from 55,000 hectares per year in the 1990s, to an estimated 3,000 hectares in 2014. There is also an estimated 1.1 million hectares of land classified as having severe erosion issues. Forest cover is the greatest form of erosion control.

Q. How long does the scheme run?

A. Funding rounds will be run annually, starting in May 2015 for planting in winter 2016, through to 2019 for planting in winter 2020. Funding rounds from 2016 to 2019 inclusive will open in April.

Q. How long have I got to apply?

A. The 2015 application window runs from 27th May to 30th June, for planting in the winter of 2016. This is because applications need to be assessed, contracts agreed, and nursery orders placed for planting. It is not possible for planting to take place in 2015.

Q. How often can I apply?

A. You can make an application in each funding round as long as each application is for new planting on separate land blocks.

Q. How do I know if my land is eligible for a grant?

A. Please check the eligible land section of the AGS Guide for applicants.

Q. Is the grant for planting this year?

A. No. The application and assessment stage of the first round of the fund are timed to allow nurseries and applicants to have enough time to make sure the most effective planting can take place in the winter of 2016. The budget for the scheme is not available until 1st of July 2016, which will not provide enough time for the funding process to support planting in 2015.

Q. Why is the grant rate fixed at \$1300 per ha?

A. The previous Afforestation Grant Scheme was based on a mix of closed tenders and fixed grant rates. For the new AGS, the grant rate has been set at \$1300 per/ha in order to provide applicants with certainty. This grant rate has been based on the approximate average of the previous scheme.

Q. Last time the AGS was over-subscribed, how will you manage that this time?

A. All applications will be given a rating in the technical forestry assessment, on the extent to which environmental benefits will be delivered. If there is an oversubscription in any funding round, applications will be prioritised according to the rating given.

Q. Why can't I plant more than 300 ha?

A. The size of the forests have been deliberately capped at a maximum size of 300ha. This is to ensure that the funding is spread across a greater number of projects, rather than a few large forests.

Q. Is the grant for a maximum of 300ha per applicant over the period of the scheme or can they plant for example 100ha now and another 100ha next year etc?

A. The scheme is designed to support small to medium sized plantations so the maximum area in one year is 300ha. The expectation is that areas applied for will be planted in the following year. In this case 100ha could be applied for each year, but the scheme will run until it meets its objective of planting 15,000 ha

Q. Could this new planting not lead to an increased risk of wilding conifers?

A. As part of the process, applicants are required to assess the risk of wilding conifers based on the land type and the trees proposed to be used. MPI will advise as appropriate and can refuse application if the risk is seen as too high.

Q. Is this scheme only for radiata pine, or can I plant something else?

A. A forest may be planted in any species that meets the definition of a 'forest species' as defined in the Climate Change Response Act. This provided they are suitable for the site, conform to local government plans, and do not pose a wilding risk. If there is doubt, MPI will discuss the suitability of the proposed species for the site with the applicant.

'Forest species' means a tree species capable of reaching at least 5 metres in height at maturity in the place where it is located, but does not include trees primarily grown for fruit or nuts.

Q. Can I use the grant to plant indigenous trees, such as manuka?

A. Yes - A forest may be planted in any species that meets the definition of a 'forest species' as defined in the Climate Change Response Act, provided they are suitable for the site.

'Forest species' means a tree species capable of reaching at least 5 metres in height at maturity in the place where it is located, but does not include trees primarily grown for fruit or nuts. All forests must meet the minimum establishment standard of 750 stems per hectare and free of significant weed competition.

Q. Is naturally reverting land eligible?

A. No. Forests must be planted; establishment by natural regeneration or seeding is excluded.

Q. How is the money paid out? Am I at risk if the planting fails?

A. Successful applicants may claim for payment when the forest is successfully established to the minimum establishment standard of 750 stems per hectare and free of significant weed competition. If planting failure occurs or applicants are unable to plant due to unforeseen circumstances, they should speak to MPI about when the planting can occur.

Q. What is a farm plan and how do I get one?

A. A Whole Farm Plan (WFP) involves a stock-take of land, soil and water resources and combines key information from a range of management areas of your farm into a detailed plan. If you would like to know more, or to enquire about how you can obtain a WFP, contact your local Regional Council

Q. What is the benefit of having a farm plan?

A. Landowners with a farm plan have been pre-assessed by Regional Councils and forestry has been identified as the optimal land use decision for their land. Because of this, the grant forest is likely to achieve the schemes intended outcomes such as reducing soil erosion, therefore improving water quality.

Q. What happens at the end of the scheme?

A. The Grantee owns the new forest and any products from it. After the expiry of the Agreement the forest may be harvested, or registered in the ETS or PFSI, and the participant would earn carbon credits for from the agreement expiry date.

Q. Is there a requirement for the landowner to replant after harvest?

A. This will largely depend on your regional plan requirements and you should check with your regional council before undertaking felling operations.

Q. Who is responsible for the forest for the first 10 years of the contract, is it the Government?

A. No. The grantee maintains the grant-aided forest to the minimum establishment standard for four years, and to at least 300 stems per hectare for the remaining term of the agreement.

Ongoing monitoring by MPI will occur for 10 years from the date of planting to ensure the forest has been maintained to the required standard. If the minimum standard is not maintained throughout the 10 year term of the grant agreement, the Grantee may be required to re-plant to the minimum required standards or to re-pay the grant to the Crown with interest.

Q. From the \$22.5m investment how much will go towards planting trees?

A. \$19.5m is available for planting 5,000ha at a rate of \$1300/ha. Planting occurs over 5 years from winter 2016 to winter 2020. The remaining \$3.0m is to be used by the Ministry for Primary Industries to administer the scheme over the next six years from May 2015.