

30 April 2016

CNI Iwi Land Management Ltd
PO Box 1592
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To whom it may concern

Submission on 2015/2016 Review of the New Zealand Emissions Trading Scheme

On the 25th June 2008 the CNI Iwi Collective signed a final Deed of Settlement (DOS) with the Crown. This land was vested in CNI Iwi Holdings Limited to hold collectively on behalf of eight CNI Iwi being:

- *Ngai Tuhoe*
- *Ngati Manawa*
- *Ngati Tuwharetoa*
- *Ngati Whakaue*
- *Ngati Whare*
- *Raukawa*
- *The Affiliate Te Arawa Iwi/Hapu (Te Pumautanga o Te Arawa)*
- *Ngati Rangitahi*

As a Maori organisation charged with holding 176,000 hectares of settlement land on behalf of 8 Iwi, we take a long term and holistic view of our activities and businesses. Climate change threatens our long-term future, and requires a strong response. In light of growing international concern and commitment to combatting climate change, and in the context that not enough is being done both domestically and globally, this review of the ETS is timely.

CNIIHL NZU Asset Holder

As a pre-1990 forested settlement lands returned in 2008 the CNI Forest lands were allocated 18 NZU's per a hectare. 7 units of NZU's were delivered to CNIIHL in CP1 and 11 NZU's in CP2. CNIIHL are aware that other forestry lands were allocated 39NZU's and 60NZU's

As an NZU asset holder we encourage increasing the value of our forest related carbon credit holdings by supporting measures that tighten the ETS and are likely to increase the price of NZUs. This will also serve to accelerate NZ's transition to a low carbon economy and form part of the solution to preventing climate change.

CNIIHL Land Use Flexibility

We are however extremely concerned, at how the ETS has constrained the way in which we can use our land, and the barriers that exist to changing this land use.

The ETS look up table details that 760 NZU's are required to convert 1 hectare of land within the Bay of Plenty harvesting 30 year old pine trees.

Based on our current position as of today we have the current facts:

SUMMARY OF CURRENT FACTS	Amount
Total NZU amount	2,981,718
Market value per NZU	\$ 13.25
Total NZU value	\$ 39,507,764
Required credits to retire forestry land (per/ha.)	760
Total potential land retirement (in Ha's)	4,018-4,864
Percentage of CNI forestry land	2.4%-2.9%

The above table shows that CNIIHL would be able to convert just 4,018-4,864 hectares (2.4%- 2.9% of CNI estate) using the existing NZU's we have been allocated. As a result, CNIIHL is significantly limited in what we can do with our land based on the credits allocated to CNIIHL and the required NZU's needed to change land use options. This is a significant barrier to future development and the productivity of our land into the future.

To be clear CNIIHL support initiatives that protect and improve our ability to change land use for part or all of our land holdings to pursue other land use activities that would provide greater job opportunities and economic gains for our people in the long term.

Pre 1990 Forest Land Incentives

Furthermore as Pre-1990 forest CNIIHL will not be allocated any further NZUs. Yet the CNI Forest lands as the largest production forest in the southern hemisphere are fulfilling a great carbon good/benefit to the environment. CNIIHL take exception to this situation which no longer incentivises a land use which provides a carbon benefit to the environment (but rather just locks this land use in at the expense of our ability to flexibly support the long-term needs of the iwi listed above).

On balance CNIIHL is supportive of the government's direction to improve the NZU market and remove the 2 for 1 surrender transition measure, but CNIIHL priority concern in relation to the ETS is the barrier to economic development it poses for our 110,000 beneficiaries.

Overall we would like to see various additional measures put in place in order to support our land use flexibility:

- Greater flexibility and ease of use of the offsetting option available under the legislation

- Greater incentives to keep the land in forest (for example, a higher allocation of NZUs to our pre-1990 forests or other financial benefits)

Please see the following Appendixes to this letter:

Appendix 1- CNI Iwi ETS Submission Report developed by Deloitte

Appendix 2- Responses to ETS questions

Appendix 3- Letter from GRC Legal

Appendix 4- Supporting document to identify the key assumptions used in the calculation of the potential contingent environmental liability

We would prefer that the sensitive information within this submission remained confidential.

Nga mihi,



General Manager
CNI Iwi Land Management Ltd