



EAST COAST FORESTRY PROJECT GRANT GUIDELINES

JUNE 2007



Ministry of Agriculture and Forestry
Te Manatū Ahuwhenua, Ngāherehere

**PUBLISHED BY
THE MINISTRY OF AGRICULTURE AND FORESTRY**

PO Box 2526

Wellington

Tel: 64 4 894 0100

Fax: 64 4 894 0742

Web: www.maf.govt.nz

Copies of this publication can be requested from
policy.publications@maf.govt.nz or from MAF's East
Coast Forestry Project office (06 986 8691)

© Copyright

Crown Copyright (Ministry of Agriculture and Forestry),
June 2007.

Disclaimer:

While every effort has been made to ensure the
accuracy of the information contained in this
publication, the Ministry of Agriculture and Forestry
accepts no liability for any error or omission.

ISBN 978-0-478-29579-5 (Print)

ISBN 978-0-478-29580-1 (Online)

IN THESE GUIDELINES

ABOUT THESE GUIDELINES	2
MANAGING EROSION IN THE GISBORNE DISTRICT	3
ABOUT THE ECFP GRANT	4
Who can apply for an ECFP grant?	4
What land is eligible for a grant?	4
What land is not eligible for a grant?	5
What does the grant pay for?	6
Options for erosion treatment	7
How does MAF decide which applications to approve?	10
MAKING AN APPLICATION	11
IF AN APPLICATION IS APPROVED	12
Approval process	12
Covenant	12
Payment schedule	13
Quality control auditing	14
Variation of the Grant Approval Certificate	15
Transfer of the Grant Approval Certificate	15
Further information and application form	16

ABOUT THESE GUIDELINES

These guidelines cover:

- who can apply for an East Coast Forestry Project (ECFP) grant
- what land is eligible for a grant
- what the grant pays for
- how to apply for a grant
- how the Ministry of Agriculture and Forestry (MAF) decides which applications to approve
- what to expect if an application is approved.

MAF has recently changed how it funds participants in the ECFP, moving from a tender system to a grant system. This document outlines the new process for applying for and receiving a grant. **Applications approved under the tender system (prior to 2007) are not affected by this change.**

The ECFP is administered under the Forestry (East Coast) Grants Regulations 2000 and subsequent amendments.

MANAGING EROSION IN THE GISBORNE DISTRICT

The Gisborne district has a severe erosion problem – 26 percent of Gisborne district's land is susceptible to severe erosion, compared with only 8 percent of all land in New Zealand. Severe erosion includes large-scale gully erosion, earthflow erosion and deep-seated slumps.

Severe erosion causes long-term damage to the productivity of rural land. It threatens communities and rural businesses, including farms and orchards, roads and bridges. It lowers water quality by contributing large amounts of sediment to river systems, and it harms the natural values of the land and the coastal environment.

Extreme weather, such as prolonged or intense rain, amplifies the impact of severe erosion. Cyclone Bola and, more recently, prolonged rain in 2005 caused significant damage in the Gisborne district. Erosion must be controlled to reduce the damage caused by extreme weather.

The ECFP was established because the Government considered it important to address the wide-scale erosion problem in the Gisborne district. Since 1992, MAF has provided funding to landholders to prevent and control erosion.

ABOUT THE ECFP GRANT

The ECFP grant can be used to control erosion on the worst eroding or erosion-prone land in the district (MAF refers to this type of land as target land). The ECFP provides a grant for establishing an effective tree cover through planting or encouraging natural reversion to native bush.

WHO CAN APPLY FOR AN ECFP GRANT?

Applicants for an ECFP grant must own or have an interest in target land. This includes a lease on the land or a forestry right that applies to the land.

A trust or incorporation can apply for a grant on behalf of a group of people who own or have an interest in target land.

Anyone who intends to purchase, or gain an interest in, severely eroding land may also apply for a grant. In this situation, the application must include written evidence of the applicant's intention to purchase, or gain an interest in, the land in question.

WHAT IS TARGET LAND?

Target land is land in the Gisborne district that is identified in the *New Zealand Land Resource Inventory** as Class VIIe 18, 19 and 21–25 and Class VIIIe 2–9.

Target land can be assessed at either of the following scales:

- a 1:50 000 regional scale (best suited for large-scale erosion problems)
- a property (farm) scale (best suited for small-scale erosion problems).

* Landcare Research and Ministry of Works & Development (1999) *New Zealand Land Resource Inventory – Gisborne East Coast* (2nd edition), Landcare Research report no 28, Manaaki Whenua Press, Lincoln.

WHAT LAND IS ELIGIBLE FOR A GRANT?

TARGET LAND AND ADJACENT LAND

An ECFP grant can be used to prevent and control erosion on untreated target land and other essential untreated land adjacent to the target land. The adjacent land must meet the following criteria:

- effective erosion control on target land requires the treatment of the adjacent land
- the adjacent land is not Class I, II, III or VI land
- the adjacent land is in the same watershed as the target land.

OVERLAY 3A LAND

The Gisborne District Council Sustainable Hill Country Project has identified land requiring erosion treatment as Overlay 3A land. The Gisborne District Council has notified a variation in its Part Operative Gisborne Combined Regional Land and District Plan that requires effective tree cover on Overlay 3A Land by 2021.

ECFP grants can also be used to control erosion on Overlay 3A land, the same descriptions are used as the basis of Overlay 3A as for target land.



People who would like to find out if they own or have an interest in target land should contact MAF's East Coast Forestry Project office or the Soil Conservation Section of the Gisborne District Council (contact details are at the back of this document).

SIZE AND MAKE-UP OF LAND

The proposed grant area must be at least five hectares, but the area can include one or more blocks of land. For example, a proposed grant area can be made up of a block of land that is four hectares and another block that is two hectares. The minimum block size is two hectares.

WHAT LAND IS NOT ELIGIBLE FOR A GRANT?

Areas of indigenous scrub and native forest, Sites of Special Wildlife Interest, Recommended Areas for Protection and archaeological sites are not eligible for a grant. However, land around these areas may be eligible.

AREAS OF INDIGENOUS SCRUB AND NATIVE FOREST

An ECFP grant is not available for areas of Closed Canopy Indigenous Scrub (CCIS) over one hectare or any area of native forest, because this vegetation cover already provides effective erosion control. (CCIS is indigenous scrub or tree vegetation that is at least two metres tall and has touching or interwoven branches.)

Clearance of CCIS may require resource consent and should be discussed with the Gisborne District Council. Grants cannot be used for areas that have been cleared of CCIS since 1999.



Please contact the Gisborne District Council for information about resource consent requirements for vegetation clearance.

SITES OF SPECIAL WILDLIFE INTEREST AND RECOMMENDED AREAS FOR PROTECTION

All Sites of Special Wildlife Interest (SSWIs) and Recommended Areas for Protection (RAPs) are not eligible for an ECFP grant. If the proposed grant area includes an SSWI or RAP, MAF will consult with the Department of Conservation on the boundaries of areas to be excluded from the grant area.

ARCHAEOLOGICAL SITES

An ECFP grant cannot be used on archaeological sites.

Once MAF has provisionally approved an application, MAF will research the Heritage Alert Layer and the Known Archaeological Site Schedule from the Part Operative Gisborne Combined Regional Land and District Plan.

If there are known archaeological sites in the grant area or if the proposed grant area falls within the Heritage Alert Layers, the applicant will be required to employ an approved archaeologist to survey the proposed grant area and mark out any archaeological sites present. These sites will then be excluded from the grant area. The archaeological survey must be undertaken before the grant will be paid.

WHAT DOES THE GRANT PAY FOR?

ECFP grants cover a portion of the costs of implementing an erosion control treatment. Applications may be made for a grant for projects starting in any nominated year or years up to three years after the application date. MAF will calculate the total amount of grant applicable to any proposal.

A grant is paid out in instalments in accordance with the approval certificate describing approved erosion treatment and the agreed work plan and payment schedule. Generally, for grant payments to be made, treatments need to start in the year that the application states the treatment will start in.

A grant will generally cover the cost of some, but not all, of the costs of erosion treatments. The proportion of the costs covered, except for pole planting, will depend on the:

- grant rate – that is, the amount of money per hectare paid to the landowner for erosion treatments (MAF sets the rate annually)
- type of erosion treatment to be undertaken:
 - the forestry treatment (planting radiata pine, Douglas fir or poplar) will be given an additional top-up, if the grant area is over 80 kilometres from the Port of Gisborne and/or includes high priority gullies over two hectares
 - the reversion treatment will be given a top-up if it includes high priority gullies over two hectares.

The grant for pole planting (poplar or willow) treatment will be equal to 70 percent of the actual and reasonable cost.

A grant can also be used to assist with the cost of new fencing around areas of indigenous forest and to exclude stock from areas containing young trees.

A grant will provide funding for the final thinning of closely planted trees to maintain stand health for the benefit of long-term erosion control. Where the final thinning is not required, a portion of funding will be retained until a field audit can be carried out to assess whether livestock has been excluded (if required in the approval certificate) and if good progress has been made towards adequate indigenous cover capable of providing effective erosion control.

Applicants can undertake pruning with no restrictions, but this is at their own cost.

WHAT IS HIGH-PRIORITY TARGET LAND?

High-priority target land is land that contains active gully erosion.

Landcare Research has identified active gullies in the Gisborne district. Preference will be given to applications that include these gullies because the gullies produce the majority of the sediment in the district and cause costly effects beyond the landholders' property boundaries.

GRANT RATES AND OTHER CLIMATE CHANGE INITIATIVES

The Government is considering a range of forestry climate change initiatives. These include an Afforestation Grant Scheme (AGS) and Devolved Credits and Liabilities (DCL). The Government is also finalising details of the Permanent Forest Sink Initiative (PFSI).

At this stage, ECFP grantees are eligible to also generate carbon credits under the PFSI for grants approved in the 2007 application round. In future, the grant rates may be adjusted depending on the nature of decisions taken in respect to other initiatives and whether landowners choose to receive carbon credits.

OPTIONS FOR EROSION TREATMENTS

MAF will approve a grant for work that is expected to be cost-effective in controlling or preventing erosion.

Experience has confirmed that a cost-effective erosion treatment on the worst country in the Gisborne district is to plant closely planted species such as radiata pine and Douglas fir. Depending on the features of the eroding land and the severity of erosion, it may be more appropriate to plant other species or to allow the land to revert to native bush. Options for erosion treatments are discussed in the following sections.

Applications will be treated on a case-by-case basis, and approval for types of erosion control treatment will depend on individual circumstances.

FORESTRY TREATMENTS – CLOSELY PLANTED RADIATA PINE, DOUGLAS FIR AND POPLAR

Forestry treatments will have regular initial planting stocking densities. A grant area planted in radiata pine and Douglas fir is to be planted at a minimum stocking rate of 1250 stems per hectare. Thinning is allowed within the following parameters:

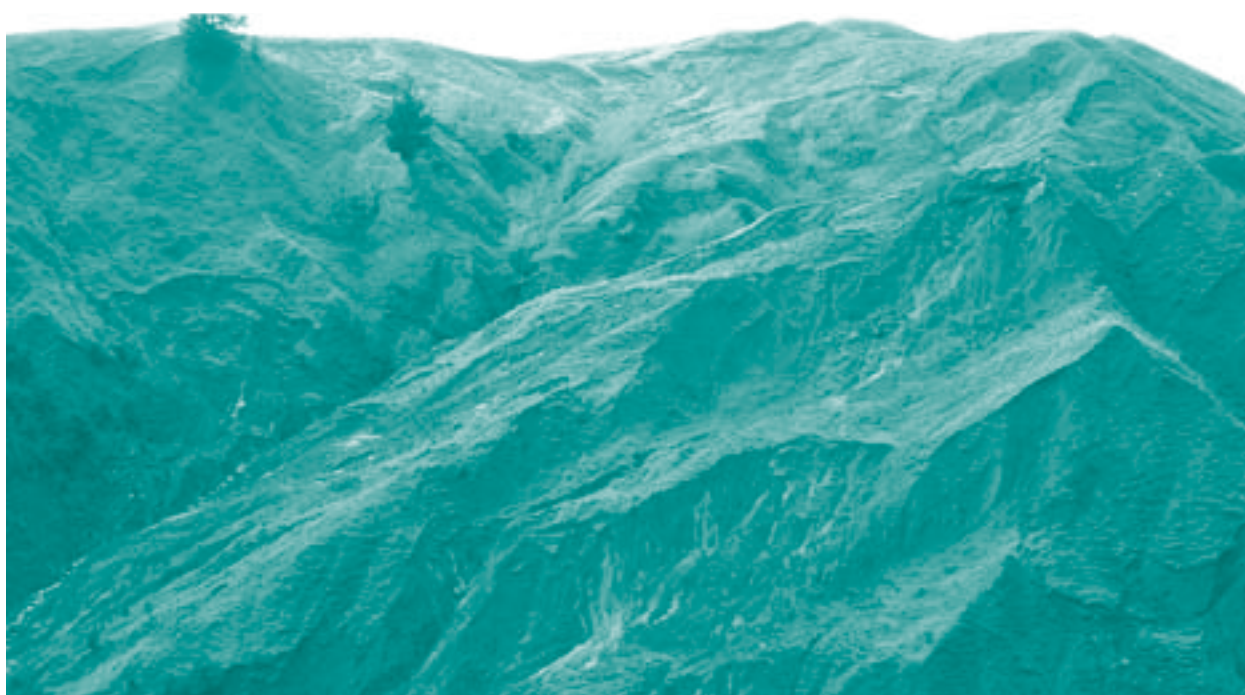
- the mean tree height must be five metres before thinning can occur
- when the mean tree height is between five and 12 metres, the stocking rate must be at least 500 stems per hectare
- when the mean tree height is 15 metres or more, the stocking rate is to be between 250 and 500 stems per hectare.

A grant area planted in poplar species, as a closely planted forestry treatment, will have an initial stocking rate of at least 500 stems per hectare. When the mean height is 12 metres or more, the trees may be thinned to at least 250 stems per hectare.

POLE PLANTING – WIDE-SPACED POPLAR AND WILLOW POLES AND WANDS

Where planting of poplar or willow poles and wands is appropriate (for example, to control earthflows, linear gullies and slumps), the indicative spacing in the table below will apply.

Pole planting is not suitable for the treatment of large and/or deeply eroded linear gullies or for amphitheatre-shaped gullies.



INDICATIVE SPACING FOR WIDELY SPACED POPLAR AND WILLOW POLES AND WANDS

EROSION FEATURE	PLANTING LOCATION	POLES		WANDS	
		SPACING AT ESTABLISHMENT	THINNING	SPACING AT ESTABLISHMENT	THINNING
Moderate earthflow	Unstable part of flow	7–10 metres (10–12 metres if blanking* is to be undertaken)	10–12 metres at 10–20 years	5–7 metres	10–12 metres at 10–20 years
Severe earthflow	Unstable part of flow	7–10 metres	None	5–7 metres	None
Moderate linear gully	Watercourse	6–8 metres	10–12 metres at 10–20 years	2–4 metres	10–12 metres at 10–20 years
	Gully walls	7–10 metres (10–12 metres if blanking* is to be undertaken)	10–12 metres at 10–20 years	5–7 metres	10–12 metres at 10–20 years
Severe linear gully	Watercourse	6–8 metres	None	2–4 metres	None
	Gully walls	7–10 metres		5–7 metres	
Moderate slump	Unstable part of slump	7 metres	10–12 metres at 10–20 years	5 metres	10–12 metres at 10–20 years
Severe slump	Unstable part of slump	5 metres	None	5 metres	None

* Blanking is replanting poles that do not survive.

REVERSION TO NATIVE BUSH

A grant area can be allowed to revert or retire to native bush through natural processes, or the reversion process can be actively managed by planting indigenous trees. The area must be fenced to prevent livestock entering the grant area, and feral goats and other pests must be controlled within the grant area.

To be eligible for this treatment, the area should already contain around 50 percent scrub cover to provide for a seed source. The scrub cover can be either CCIS or scattered indigenous scrub but CCIS will not qualify for grant payments.

If there is insufficient existing seed source, MAF will consider proposals that provide a realistic management plan to physically establish indigenous tree species where tree stocking is low or does not exist.

INTERNAL GULLIES

Gullies over two hectares in size may require erosion control that differs to the erosion control undertaken in the surrounding area (for example, stream channels may need treatment with willow poles, while the surrounding area is planted with radiata pine).

MAF will take advice from MAF-approved land use consultants as to whether internal gully treatments will be required, and if so what type of treatment is required. For example, some planting may best be carried out when the surrounding treatment has had a chance to slow down debris movement in the stream channel.

ALTERNATIVE TREATMENTS – OTHER SPECIES

Any effective erosion control treatment is eligible for funding. Applications for other treatments and species will be considered on a case-by-case basis. The applicant should discuss the proposal with MAF, who will assess the proposed species and stocking rate for the particular site.

HOW DOES MAF DECIDE WHICH APPLICATIONS TO APPROVE?

Submitting an application does not automatically mean a grant will be approved. Each year, a certain amount of money is available for grants. Grant applications will be prioritised according to the presence of active gullies (high-priority target land) and then the percentage of target land. This prioritisation will not affect the value of the grant.

MAF's objective is for 50 percent of the total grant area over five years to be target land, as assessed at the regional scale. While this is not an individual grant requirement, applications that have a higher percentage of target land will receive priority for funding.



Information about the location of active gullies and target land is available from MAF's ECFP office and the Soil Conservation Section of the Gisborne District Council.

MAKING AN APPLICATION

Before submitting an application, please discuss it with MAF's ECFP office in Gisborne. The ECFP office or the Soil Conservation Division of the Gisborne District Council can help with the preparation of applications.

Applications should be lodged with the ECFP office by:

- 30 April each year for large areas (over 50 hectares)
- 30 June each year for small areas (5–50 hectares).

The Minister of Forestry may, by public notification, extend the closing date. Any extension will be advertised in the *Gisborne Herald*.

The closing date for applications in 2007 has been extended to 30 July.

Applications must be made on the appropriate forms. The application forms can be obtained from the MAF website, MAF's ECFP office or the Soil Conservation Section of the Gisborne District Council.

WHAT AN APPLICATION MUST CONTAIN

Completed application forms must be accompanied by sufficient information about the landholding and the proposed area to allow MAF to identify them. Examples of the information required include:

- a current Certificate of Title or a description of the land
- if the applicant is not the current land owner, written confirmation that the land owner agrees to the application
- an aerial photographic plan showing relevant management details, including
 - the target land
 - the boundaries of the proposed grant area
 - any internal planting boundaries where different planting years, species or erosion treatments are intended
 - existing and/or proposed fencing
 - any excluded CCIS within the proposed grant area
 - access considerations.



MAF and the Gisborne District Council can help with the preparation of applications, and can supply aerial photographic information showing target and Overlay 3A land at regional and property scales.

IF AN APPLICATION IS APPROVED

APPROVAL PROCESS

Once applications have been assessed by MAF, successful applicants are given provisional approval so that:

- land can be secured by applicants
- landholding checks can be undertaken by MAF
- resource consents and archaeological site certification can be sought by applicants, if necessary.

For large blocks, successful applicants are normally notified of provisional approval by 15 July each year. For small blocks, successful applicants are notified of provisional approval by 30 August each year. This timeline is to allow provisionally approved applicants to arrange the supply of planting material for their approved establishment year(s).

Formal grant approval will be given by MAF when:

- proof of unconditional rights to the land is provided by the applicant (this may be done by producing a Certificate of Title, lease or some other legal interest in the land)
- necessary resource consents and archaeological site certifications have been obtained.

Once formal approval is given, a Grant Approval Certificate will be issued by MAF. This will be issued by 30 June in the year that the first erosion treatment commences.

The Grant Approval Certificate details what treatment(s) have been approved, how much money per hectare will be paid and when the payments will be made.

COVENANT

Successful applicants will be required to register a covenant against their land title. A covenant is a legal arrangement between two or more parties that offers benefits to those parties and specifies certain actions or constraints. A non-use agreement may be signed in lieu of a non-use covenant at the discretion of the Secretary of Forestry after consultation with the Department of Conservation.

The covenant is registered against the land title and binds current and future landowners for its term. Successful applicants have the choice of three forms of covenant:

- an ECFP covenant administered by MAF
- a Queen Elizabeth II National Trust covenant
- a Ngā Whenua Rāhui covenant.

All covenants are to be of 50 years' duration and will cover areas for which the grant is made and existing vegetation within treatments.

If a grant is given for planting trees or poles, the covenant will require that the landowner maintains the erosion control effectiveness of the planted area for the period of the covenant. This will mean replanting following harvesting or maintaining, or replacing trees and poles when they die.

Where trees or poles are planted, all stock or certain classes of stock may need to be excluded during the establishment phase. The covenant will detail the stock grazing requirements relevant to the type of treatment being carried out.

PAYMENT SCHEDULE

The Government makes grant payments provided that the landowner has completed the erosion treatment in accordance with the approval certificate. The Government's commitment can be transferred if the land is sold and if the new owners wish to continue the approved work schedule.

After the erosion treatment has been completed, a claim for payment should be submitted to MAF. The claims should be made in the years identified in the work schedule. Claims must be certified by the applicant's company auditor or a chartered or practising accountant.

A claim for payment for establishment will be considered a minimum of six weeks after control of grass around newly established trees has been carried out.

MAF will generally make payments within 30 days of receiving a claim and audit. A covenant will need to be registered against the land title before an establishment claim can be paid.

Grants will be paid in two instalments.

- For forestry treatments involving radiata pine, Douglas fir and other approved species:
 - 70 percent will be paid following the completion of establishment and registration of the covenant
 - 30 percent will be paid after mandatory thinning.
- For all pole planting:
 - 80 percent will be paid following the completion of establishment and registration of the covenant
 - 20 percent will be paid in the third year after establishment.
- For the indigenous reversion treatment:
 - 50 percent will be paid in the first year and registration of the covenant
 - 50 percent will be paid in the fifth year.

INCOME TAX

Grant payments are treated as grants to businesses under section DF1 of the Income Tax Act 2004. The grant is made by the Government under a contract at an approved value and is not a reimbursement of costs. Other spending relevant to grant operations should be accounted for under normal accounting procedures in the year incurred.

MAF will advise Inland Revenue of all grant payments.

GOODS AND SERVICES TAX (GST)

All grant applications are calculated on a GST-exclusive basis. GST is added to the grant payment and must be accounted for in the usual way.

QUALITY CONTROL AUDITING

MAF will audit the annual claims for payment to make sure that agreed work is completed to an acceptable standard and in accordance with the approved treatment plan. For instance, if a block has a poor survival rate, or the stocking rate is too low or is grazed or thinned early, the effectiveness of the erosion control treatment will be reduced. In such circumstances, a grant payment may be withheld.

Establishment payments for planted trees or poles will be made following field audits to assess survival. Payment will be based on the following:

- full payment for survivals above 85 percent
- pro rata payments for 50–85 percent survival
- no payment for survivals below 50 percent.

Audits will be undertaken of indigenous reversion treatments to check that:

- fences are being maintained and livestock is excluded from the grant area
- good progress has been made towards attaining adequate indigenous cover capable of providing effective erosion control.

Withheld money will be paid upon satisfactory remedial work being carried out to achieve the required survival rates.

Failure to carry out any stage of the agreed work schedule will result in the grant instalment for that stage not being paid. No further payments will be made until the work agreed on is completed.

Although the grant is to be paid on the basis of the approved application, applicants may be required to provide evidence of related spending for audit purposes and to ensure MAF pays the grant to the correct recipient.

VARIATION OF THE GRANT APPROVAL CERTIFICATE

A variation to the treatment will be considered subject to the suitability and effectiveness of the changes requested.

Requests will be considered for an extension of up to 25 hectares for an approved area, as long as the area is contiguous to the approved area and provides more effective land stabilisation boundaries.

TRANSFER OF THE GRANT APPROVAL CERTIFICATE

Where the land with a Grant Approval Certificate is sold or transferred to a new landholder who wishes to continue the approved work schedule, MAF is able to transfer the Grant Approval Certificate to them.

WHAT IF AN APPLICATION IS NOT APPROVED?

A set amount of funding is available each year. If a provisionally approved application is withdrawn or cancelled, funding is freed up and can be redirected to another proposed grant area. Each year, MAF identifies a small number of applications that may be approved if another project does not proceed.

If an application is declined, it may be resubmitted in a subsequent year.

FOR FURTHER INFORMATION AND APPLICATION FORMS, CONTACT:

East Coast Forestry Project

Ministry of Agriculture and Forestry

PO Box 2122

Gisborne 4040

Tel: 06 986 8691

Fax: 06 986 8697

Email: ecfp@maf.govt.nz

Web: www.maf.govt.nz/forestry/east-coast-forestry/index.htm

or

Soil Conservation Section

Gisborne District Council

PO Box 747

Gisborne 4040

Tel: 06 867 2049

Fax: 06 867 8076

Web: www.gdc.govt.nz/

MINISTRY OF AGRICULTURE AND FORESTRY
TE MANATŪ AHUWHENUA, NGĀHEREHERE
PASTORAL HOUSE
25 THE TERRACE
PO BOX 2526, WELLINGTON, NEW ZEALAND
>>> WWW.MAF.GOV.NZ/FORESTRY