



**Nelson Tasman Climate Forum Submission:**

**Primary Production Select Committee**

**Climate Change Response (Emissions Trading Scheme  
Agricultural Obligations) Amendment Bill**

**28 July 2024**

## Nelson Tasman Climate Forum – Who we are

The [Nelson Tasman Climate Forum](#) launched in February 2020 as a community-led climate action initiative open to everyone. The Forum aims to weave the community together around urgent, strategic action to achieve the following goals:

- Rapidly reduce the region’s greenhouse gas emissions, increase carbon sequestration and undertake other climate stabilising initiatives, consistent with the urgency of the situation.
- Adapt to the likely adverse environmental effects of climate change and the resulting social and cultural effects, using inclusive and responsible decision-making to support these desirable outcomes.
- Respond to climate change in a way that recognises the rights of all living organisms, including people, and provides for a just, equitable, and resilient society.

The Forum is volunteer-led, apolitical, and registered as a non-profit partner under the Tasman Environmental Trust. In the four years the Forum has been functioning, volunteers have carried out over 30 community projects. These projects range across many climate initiatives and include monthly Repair Cafés in Nelson and Tasman, a yearly Climate Action Festival, a climate action campaign called [Take the Jump](#), art events and photography exhibitions, a Climate Action Plan and Book for the region, climate conversations with varied groups across the community, several waste reduction projects, letter writing campaigns, government and council submissions, and the protection and restoration of native habitats.

This submission has been compiled by the [NTCF Submissions Group](#).

## The Amendment Bill

The Amendment Bill proposes to repeal provisions in the Climate Change Response Act (CCRA) for:

- agricultural processors to begin to pay for emissions associated with the fertiliser and livestock that they process from 1 January 2025
- for animal farmers to begin reporting their on-farm emissions from 1 January 2026, and to begin paying for those emissions from 1 January 2027.

## Our View of the Bill

- The Bill's proposed removal of the agriculture provisions in the CCRA needs to be considered as part of the Government's [package](#) of proposed changes on agricultural emissions. These include:
  - reviewing methane science and targets
  - accelerating development of mitigation tools and technologies to reduce on-farm emissions
  - developing measurement of on-farm emissions for use by 2025
  - implement a fair and sustainable pricing system for on-farm emissions by 2030.
- Nearly half of New Zealand's greenhouse gas emissions come from agriculture, 82% of it methane. Methane is a short-lived greenhouse gas: it has very strong heating properties when its global atmospheric concentration rises, and it has strong cooling properties when global atmospheric concentration falls. We **commend** for the Committee's consideration the recent [IPCC finding](#) on methane emissions reductions: 'In pathways that limit warming to 1.5°C (>50%) with no or limited overshoot, global CH<sub>4</sub> (methane) emissions are reduced by 34% [21–57%] below 2019 levels by 2030 and by 44% [31–63%] in 2040 (high confidence)'.
- We **accept** the finding of the [Regulatory Impact Statement](#) that there are significant challenges, and potential downsides, to implementing the present agricultural obligations in the CCRA.
- We **acknowledge** the Climate Change Commission's [finding](#) in 2022 that a farmer-focused and cost-effective pricing system outside the NZ Emissions Trading Scheme is the best way to deliver the emissions reductions needed for agriculture to contribute to meeting New Zealand's emissions reduction targets, alongside a broader policy package.
- Having regard to the RIS and CCC findings, we **accept in principle** the Government's intention to introduce a farm-level emissions pricing system.
- We **acknowledge** the issue of leakage of our emissions to greater emissions intensity farming as practiced overseas.
- Given the national and global imperative for urgent, strategic action to address climate change, we **strongly oppose** the proposed delay between the repeal of the CCRA and the Government's intention 'to implement a fair and sustainable pricing system for on-farm emissions by 2030'. When the Government intends to develop a system of measuring on-farm emissions by 2025, it seems taking an additional five years to implement a pricing system for half of our nation's

emissions is continuing a regrettable pattern of kicking the issue down the road. This has global consequences, including reputational (see below).

- We **strongly oppose** the Government's intention in its methane science and target review to consider targets for consistency with no additional warming. This would entrench a right for methane emitters to use the global atmosphere as a free emissions waste dump, be contrary to the IPCC finding of the imperative to reduce methane emissions, and place the burden of emissions reductions onto other sectors of the economy and society, nationally and globally.
- The [Climate Change Commission](#) found evidence that barriers to participating in an emissions pricing system and taking action to reduce emissions will be higher for Māori collectively-owned land due to land tenure and management structure restrictions. We **strongly request** representation of iwi Māori in the proposed Pastoral Sectoral Group.
- In speaking to the first reading of the Bill, the Minister of Climate Change [spoke](#) of investing '\$400 million over the next four years to accelerate the commercialisation of tools and technology to reduce on-farm emissions'. One of the writers of this submission requested details of this investment from the Minister's Office. The Office's inability or unwillingness to provide this information promptly, instead turning it into an OIA request with a response promised 25 days later (9 August – well after submissions close), means **we have not had the opportunity to scrutinise** this key part of the Government's programme associated with this Bill.
- We **support** the [Climate Change Commission](#) finding that synthetic nitrogen fertiliser should be priced at the manufacturer and importer level in the NZ ETS as soon as practicable. This would achieve a more broad and equitable coverage for emissions from synthetic nitrogen fertiliser across the country. We therefore **recommend** nitrogen processor provisions be retained in the Climate Change Response Act.
- We **commend** for the Committee's consideration the recent report [Protecting New Zealand's Competitive Advantage](#), that revealed the pressure on New Zealand exporters to keep up with international expectations on sustainability, with more than 80% of New Zealand's exports by value now going to countries with mandatory climate-related disclosures either in force or proposed.
- We also **commend** for the Committee's consideration Denmark's recently adopted [multi-sectoral comprehensive plan](#) to price agriculture emissions to meet climate goals.

- We **recommend** the Committee ensure it has the benefit of specialist advice on the broader climate context of its brief e.g. on the total economic cost of the proposed delay of agricultural emissions reductions alongside the future cost of adaptation to climate change on an Aotearoa New Zealand scale<sup>1</sup>, and the realities of climate change in Aotearoa for our agricultural and other primary industries<sup>2</sup>.

## Climate decision-making in Aotearoa has a global audience

We wish to offer Committee members this perspective for your climate decision-making.

The impacts of greenhouse gas emissions are global; emissions decisions are local; and almost all climate decisions will not be made in Aotearoa.

We in Aotearoa are (for the most part) relatively affluent. We contribute disproportionately per capita to current global emissions and we have disproportionately contributed to historical emissions. Others disproportionately bear the consequences. Between 2010 and 2020, highly vulnerable regions, home to over 3.3 billion people, experienced 15 times higher human mortality rates from floods, droughts and storms compared to regions with very low vulnerability.<sup>3</sup>

Most of those people are in Africa, Latin America and Asia. These regions currently produce 62% of global fossil fuel emissions and soon they will produce two-thirds. People in those regions will not reduce their emissions if we in developed countries refuse to do so. Thus, being seen to be doing our international fair share is not just a matter of climate justice but very much in our self-interest. Our principal leverage to mitigate the future consequences of climate change (think 2022 Nelson atmospheric river, Auckland floods, Cyclone Gabrielle) is to foster the goodwill of our fellow people across the globe by the commitment we show locally to rapidly reducing our emissions.

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<sup>1</sup> For example, a [recent Nature publication](#) found that the global economic damages resulting from climate change until 2049 are those to which the world economy is already committed, and that these greatly outweigh the costs required to mitigate emissions in line with the 2 °C target of the Paris Climate Agreement.

<sup>2</sup> Recent work by GNS climate scientist Georgia Grant challenges a common mindset in Aotearoa that being an oceanic island will buffer temperature rises here: 'while the Paris target [aims to keep] the global average temperature rise to two degrees Celsius, New Zealand oceans would actually rise by four degrees' <https://www.rnz.co.nz/news/national/495368/warmer-oceans-to-make-severe-weather-events-more-catastrophic-climate-scientist>.

<sup>3</sup> <https://www.un.org/sustainabledevelopment/climate-change/>

## Conclusions and Recommendations

1. We **accept in principle** the Government's intention to introduce a farm-level emissions pricing system, replacing the agricultural provisions of the Climate Change Response Act (except nitrogen fertiliser at processor level).
2. We **request** the Committee communicate in its report to the Government our deep associated concerns over aspects of its agricultural emissions programme, including:
  - the urgent need to develop a fair and sustainable pricing system for on-farm emissions
  - to take account of the IPCC finding on methane emissions reductions: 'In pathways that limit warming to 1.5°C (>50%) with no or limited overshoot, global CH<sub>4</sub> (methane) emissions are reduced by 34% [21–57%] below 2019 levels by 2030 and by 44% [31–63%] in 2040 (high confidence)
  - to include representation of iwi Māori in the proposed Pastoral Sectoral Group
  - to publicly present the details of the proposed \$400 million for tools and technology to reduce on-farm emissions.
3. We **recommend**:
  - the Committee ask the Government to commit to implementing a fair and sustainable pricing system for on-farm emissions by **1 January 2027**.
  - the Committee recommend nitrogen fertiliser processor provisions be retained in the Climate Change Response Act.
  - the Committee ensure it has the benefit of specialist advice on the broader climate context of its brief e.g. on the total economic cost of the proposed delay of agricultural emissions reductions alongside the future cost of adaptation to climate change on an Aotearoa scale, and the realities of climate change in Aotearoa for our agricultural and other primary industries.
4. We **thank** you for the opportunity to present this submission.