

Let's Talk About the Climate Change Response (Zero Carbon) Amendment Act 2019

The Climate Change Response (Zero Carbon) Amendment Act was passed into legislation on 13 November 2019. The Act provides New Zealand's policy framework to manage the effects of climate change.

The policy that affects farmers the most relates to *greenhouse gas emissions*. According to Dairy NZ, New Zealand is one of the lowest emissions producers of dairy nutrition in the world, but still contributes 22.5 percent of all our emissions. The targets in the Act are to reduce carbon dioxide and nitrous oxide to zero by 2050, and to reduce methane by 10% by 2030 and 24-47% by 2050. In practice, this means that each farm will need to estimate current emissions and develop their own plan to manage and reduce these emissions. Steps that farmers can take in their farming operation to reduce emissions include improving feed efficiency (using feed that produces less methane), reducing & improving use of nitrogen fertiliser, and implementing new technologies (e.g. methane inhibitors that are currently being developed).



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The legislation provides for 5 yearly reviews of these targets to ensure that they are fair in relation to reductions made by other sectors.

The Act also creates a legal obligation on the Government to plan for how it will support New Zealand towns and cities, business, farmers and Iwi to adapt to the increasingly severe storms, floods, fires and droughts we are experiencing as a result of climate change. The Emissions Trading Scheme Reform Bill is one of the levers that the Government can use to drive emission reductions across the New Zealand economy. The Bill had its first reading on the 5th November and has been referred to the Environment Select Committee.

The good news is that the ETS Reform Bill delays the obligation on the agricultural sector to account for its emissions - i.e. methane - until 2025, at which time it will need to account for 5% of its emissions.

On the other hand, with agricultural methane remaining outside the ETS, New Zealand will have to work that much harder to reduce the other greenhouse gases. To achieve the overall zero carbon target, a 10% reduction in methane by 2030

would require a 40% reduction in carbon dioxide over the same period. This may make meeting the Zero Carbon Act 2050 target significantly more difficult.

The “one billion trees scheme” will also come into play. Part of the Government’s tree planting mission is to help New Zealand meet its international climate change commitments, as planting trees can help ‘offset’ emissions and can bring marginal land into production. The problem is that this afforestation push could potentially mean productive farming land being planted in trees.

If farms are sold to companies (including overseas investors) whose aim is to plant the entire farm into forest, this will have a large impact on rural communities. The scheme also has implications for land prices, as forestry speculators often have more to spend than people who want the land for farming.

A number of other potential issues arising from the one billion trees scheme include planting of exotic trees (pine) vs native trees, lack of infrastructure to support eventual harvesting of the trees, and the effect of major plantations on the existing environment

If you would like to make comments on the ETS Reform Bill, submissions are open until 17th January 2020.

By Sharyne Wimsett, B.B.S., C.A. *Sharyne is an Associate with MCI & Associates. She grew up on a sheep and beef farm and is passionate about athletics. Sharyne knows that on the farm and on the track, we all benefit from someone encouraging us to achieve our goals. And that’s what Sharyne loves about her job - helping her clients maximise their performance and reach their personal best.*

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