

# Parents For Climate Aotearoa Submission on Te tātai utu o ngā tukunga ahuhenua Pricing agriculture emissions



November 2022

[Parents for Climate Aotearoa](#) (PfCA) is a group of largely parents and wider whānau, concerned with our families and particularly the future of our tamariki and mokopuna in a rapidly warming world. Our parents come from a range of backgrounds and experiences. We are ordinary parents standing up for climate justice, to ensure all children have a safe climate and world to live in.

Many members of Parents for Climate Aotearoa have rural connections, and have active members who both have working and lived experience in agriculture and forestry (including the ETS). We know our farmers and land managers are under stress from multiple angles including significant legislative changes, debt, compliance complexity, inadequate infrastructure, inflation and impacts from climate change. There is significant change happening and coming to our rural communities and rising challenges.

At the same time the consequences of inaction will hit our farmers and rural communities hard. Our climate has changed already and the crops our farmers can grow are changing. Many of our farmers are reducing their emissions, increasing biodiversity and producing high quality food for a much lower environment impact overall. Many are also not doing their fair share. Agriculture has gone through many massive changes historically and we believe agriculture can adapt and prosper while significantly reducing its greenhouse gas emissions. To do this, rural communities need support, good information from trusted sources, healthy public discussion, good practical legislation and the will to act. We all need to work together throughout our society at all levels to tackle reducing emissions and adapting to impacts.

The term **Equitable** is mentioned a number of times in the proposal and is one of the objectives. While there is a definition in the glossary, we think this concept and how it is used in the pricing system needs more work. For PFCA equity must include intergenerational considerations and have a clear focus on those most marginalised now and historically. This includes the impact of not acting.

We need to find the balance of landowners and managers taking responsibility, doing the right thing, having good legislation that enables that and catches those who do not take responsibility. This must not be a subsidy to continue practices that have contributed to our multifaceted issues. We have a lot of mahi to do to halt climate change, biodiversity loss and social inequality. We all have a part to play in these

issues, though some more than others. All need to be held accountable, the government, industry bodies, councils and individual landowners and managers for the mistakes we have made and the best way to do that is to step up and work together for our kids' futures.

**Question 1: Do you think modifications are required to the proposed farm-level levy system to ensure it delivers sufficient reductions in gross emissions from the agriculture sector? Please explain.**

We support a system that enables farmers to reduce emissions and recognises good land management. At present we do not think the current proposal meets the three objectives of effective, practical and equitable. There needs to be further work to assess the current inequities and how the current proposed system could change these and create new ones. Dairying needs to reduce their emissions as the sector has driven emission increases in the 1990 - 2000s. Sheep farming has reduced its emissions over that time. We recommend further work to address these inequities between sectors and with Māori and iwi farmers, to enable all sectors to do their fair share.

At the same time, we must start as soon as possible. We support an imperfect system now that can be improved progressively. We endorse a support package that provides assistance for those impacted which could result in significant social and environmental unintended consequences. It is important that this assistance is not used to support unsustainable land management practices. Instead part of a transition in developing an equitable system, that focuses on those who have capacity and resourcing issues.

**Question 2: Are tradeable methane quotas an option the Government should consider further in the future? Why?**

We support considering them in the future, as long as consideration of equity between sectors (e.g. dairy, sheep and beef), future generations and Māori and iwi are central to exploring it. How the system is run and its useability are key considerations. By leaving this option open now, it will further add to uncertainty and we suggest that there needs to be clear benefits that meet all the objectives over the current proposal. The challenge is there is very low trust in the ETS and the ability of the government to set up and run a good system that works.

**Question 3: Which option do you prefer for pricing agricultural emissions by 2025 and why? (a) A farm-level levy system including fertiliser? (b) A farm-level levy system and fertiliser in the New Zealand Emissions Trading Scheme (NZ ETS) (c) A processor-level NZ ETS?**

We see trade offs for all options. We tentatively support options (a) or (b). We agree with the Climate Change Commission's (CCC) points on the issues for nitrogen fertiliser on who is included and not. We recommend that whatever option is decided on, that these issues of each sector doing their fair share are worked on. There are clear crossovers here with the freshwater farm plans and these need to be developed together to ensure good outcomes.

**Question 4: Do you support the proposed approach for reporting of emissions? Why, and what improvements should be considered?**

There are significantly more details that need to be worked through. We support reporting methods that reflect responsibility and accountability between land uses and ownership models that reflect the current and historical contribution to emissions for both gases. We are concerned about unintended consequences and maladaptation and while there is acknowledgement of this in the proposal there should have been more work done and options presented here at this stage. This adds to the uncertainty of what the system will mean for each farm and rural community.

We support that Māori and iwi should be able to report collectively. We support this to be extended to collectives such as catchment groups as soon as possible. And if this is not ready by 2025, a timeline is given to provide some certainty and allow collectives such as catchment groups to plan.

**Question 5: Do you support the proposed approach to setting levy prices? Why, and what improvements should be considered?**

Yes in part. We recommend that the CCC be responsible for setting prices with input from an agriculture advisory group. This advisory group must include representation for future generations, Māori and iwi and marginalised communities, as well as general public consultation. The ministers would then have to accept or justify publicly if they chose a different price than proposed by the CCC (in keeping with other CCC responsibilities in the Climate Change Response Act (CCRA)). We support a pricing timeframe of every three years, that fits in with existing emission budgets, and has a similar forecast of at least one budget out that can be subsequently updated.

**Question 6: Do you support the proposed approach to revenue recycling? Why, and what improvements should be considered?**

We see some significant gaps that need to be included. This includes funding for community wellbeing and social support, as well as support groups such as catchment groups.

There is almost no mention of community wellbeing and resilience in the pricing proposal. We recommend a portion of the revenue ringfenced for rural community support, from resourcing the catchment groups and social support networks in the

communities. Such as providing funds to pay rural people to support the mental health of their communities, as so much falls to volunteers and they are stretched already. Like all our communities, there are growing challenges facing our rural communities with the changes in legislation to climate change impacts.

The rural support funds should be flexible enough to support the specific needs of each community. This includes enabling sharing of information and experience by farmers for farmers. And where there are significant gaps not covered by other government and industry resources, funds allocated for infrastructure and connectivity improvements are still needed for many rural areas and will continue to be a major barrier for some farmers to participate and report.

We are particularly concerned about the apparent lack of consideration of adaptation in both funding and potential positive and negative effects from mitigation actions. Climate change impacts on communities and farms are growing in both severity and frequency. It is really important that mitigation and land use change that occurs, does not make adaptation harder both from an environmental and social sense. Our rural communities are having to adapt at the same time as reducing their emissions. This includes recovery from events and changing land use due to warming temperatures. More research and some ring fenced funding is needed to support rural communities adapting both socially and land use practices and management.

**Question 7: Do you support the proposed approach for incentive payments to encourage additional emissions reductions? Why, and what improvements should be considered?**

As we have mentioned before, there are still significant problems with equity. All farmers must be enabled to do their fair share of emissions reductions for both their current and historical emissions. We suggest specific industry targets that take this into account and incentive payments that reflect this.

There are other incentives outside of this pricing system that could help. We recommend the introduction of biodiversity credits to recognise and support the significant (and potentially significantly more that could be done) biodiversity work that is occurring on private land. We have a growing pest problem in many areas that is impacting biodiversity and carbon sequestration. A credit would help sheep and beef farmers and collectives such as catchment groups and māori and iwi to continue and do more of this vital work. This would also help to increase the resilience of our forests and native regenerating areas, as they need active management.

**Question 8: Do you support the proposed approach for recognising carbon sequestration from riparian plantings and management of indigenous**

**vegetation, both in the short and long term? Why, and what improvements should be considered?**

In part. We support the CCC advice on this. However in the short term we see issues for multi land use farms, such as owners who lease their pastures but put in riparian plantings or those without livestock or under reporting thresholds, who could not be eligible for their plantings. This may create disincentives for planting now at a time when we need as much planting as possible for biodiversity, water health, climate change adaptation and sequestration.

We do support the long term plan to include all land areas that increase their sequestration, including lifestyle blocks etc. However the ETS needs more work and there is little trust currently in that system. It is still challenging to navigate without (and even with) the help from consultants. ETS useability is a key barrier and needs to be significantly improved to enable smaller blocks of forests or multi owner areas (e.g. catchment groups and lifestyle block collectives), to be included.

One ongoing issue is how we can support and enable more biodiversity work on private land. This was a key theme in the O Tātou Ngahere Conference (October 2022). Pest numbers are hammering our forests both new and old. In particular, deer, goats and pig numbers are a massive problem throughout the country, with extensive consequences, reducing sequestration, stopping forest succession, reducing biodiversity and habitat and reducing production on farms (e.g. eating pasture) and eating pine seedlings. This work needs a coordinated approach and is time consuming and expensive. A key part of this biodiversity work is the need for active management, basically people on the ground caring for the land and everything that lives on and in it.

As mentioned in the last question we support biodiversity credits and how these are allocated should be worked out with the sequestration payments. These credits could also support the planting and managing of regeneration of native forests in the early years when sequestration credits are low. We support streamlining these schemes to make reporting as practical and easy as possible. The biodiversity credits could also be included in part of the additionality sequestration payments. We support additionality, though this should not be limited to livestock farmers.

**Question 9: Do you support the introduction of an interim processor-level levy in 2025 if the farm-level system is not ready? If not, what alternative would you propose to ensure agricultural emissions pricing starts in 2025?**

Yes, but needs to be signalled well ahead. This does create further uncertainty which is a hindrance to planning and investment on farms. Early strong signalling for any change is needed across the board including the rural sector.

**Question 10: Do you think the proposed systems for pricing agricultural emissions is equitable, both within the agriculture sector, and across other sectors, and across New Zealand generally? Why and what changes to the system would be required to make it equitable?**

No, as the reasons we have already mentioned. We note however that overall Aotearoa is not reducing its emissions in keeping with our responsibility for our kids and future generations. This pricing system is long overdue.

We recommend:

- Setting sector (dairy, sheep and beef, horticulture, etc) targets that reflects their current and historical contributions to emissions and warming
- Support those less able to reduce their emissions
- Enable sequestration at all scales via a usable system in or outside of the ETS and have complimentary biodiversity payments to enable the crucial work of reducing pests and increasing the health of all our ecosystems. At the same time have clear rules that this is not used to offset poor practices elsewhere on farm or in the catchment.
- Allow collectives, particularly for catchments and sub catchments that can share reporting for emissions, sequestration, freshwater health and biodiversity. Long term funding for catchment groups is uncertain, by allowing collectives to report could help with the long term viability of these groups and take pressure off overworked volunteers. The catchment collectives could work with Māori and iwi owned land as well if it suits them.
- The funds and role in the system for Māori and iwi needs further work to be equitable, given our country's colonial history, the land classes Māori have today and ownership systems. We support governance, roles and resources allocated that reflect this and that is led by Māori and iwi.
- The whole system could benefit from the input from the Māori advisory group, particularly through a te ao Māori lens.

**Question 11: In principle, do you think the agricultural sector should pay for any shortfall in its emissions reductions? If so, do you think using levy revenue would be an appropriate mechanism for this?**

Yes, and we suggest higher emission reductions can be reached with targeted incentives than the threat of punishments. There should however, be requirements to catch the few who choose not to reduce their emissions in spite of options available. Agriculture sector representative bodies should take some of this responsibility as they have actively delayed a pricing system for decades and publically minimised the contribution agriculture has had to climate change and other general environmental and social impacts. It is time to move past protectionism and focus on what is best for the future of our tamariki and mokopuna.

**Question 12: What impacts or implications do you foresee as a result of each of the Government's proposals in the short and long term?**

This is hard to answer as it depends on how the options are implemented and resourced, particularly at the community level. We need more detail.

**Question 13: What steps should the Crown be taking to protect relevant iwi and Māori interests, in line with Te Tiriti o Waitangi? How should the Crown support Māori land owners, farmers and growers in a pricing system?**

We do not think the current proposal adequately addresses the challenges for Māori and iwi land. However, we think it is an improvement on the original HWEN proposal. We support Māori and iwi to make decisions and recommendations as they are best placed to do that.

**Question 14: Do you support the proposed approach for verification, compliance and enforcement? Why, and what improvements should be considered?**

What is missing is accountability for the agencies responsible for the pricing scheme. One of the reasons for low trust in the current forestry ETS system, is the difficulty in navigating the system and little to no accountability to MPI if they are at fault. Whereas participants receive strong worded automatic emails on deadlines and consequences regularly. Staff turnover and inconsistency further erodes trust. Going forward the agriculture pricing system must minimise these mistakes, especially with so many participants. Clear procedures and systems are needed when things go wrong, as they will, for both participant and agency mistakes. Legislative time limits on the responsible agency for processing is needed, such as in the Building Act for councils processing building consents.

**Question 15: Do you have any other priority issues that you would like to share on the Government's proposals for addressing agricultural emissions?**

**Information and Education**

Most people both urban and rural are worried about climate change and a growing number are impacted. At the same time, most people are confused on what they can do to reduce emissions as per the IAG survey results from the past five years. Everyone needs good plain language information from people and organisations they trust. And for farmers in particular, learning from other farmers is a key part of this.

We recommend ring fencing some recycled revenue towards community level sharing of information. This includes science, farmer experiences, how to navigate the pricing system and adaptation. The challenges of sharing information at the

farmer level has been known for a while as a barrier to change e.g. the [Report of the Biological Emissions Reference Group \(2018\)](#). This needs more focus and collaborative resourcing by both industry bodies and government.

We recommend the following:

- Provide funding for farmers currently undertaking best practices to enable them to share their experiences with other farmers.
- Support and target farm advisory and extension services to support farmers and growers to reduce their emissions. Unfortunately, the Government is not often a trusted source of information for farmers. Farmers are the best people to support other farmers to reduce their emissions. There is already some support available for farmers to showcase their improved practices to others through MPI, but this could be further funded and resourced as part of the levy recycling.
- We recommend the government provide funds and resources to community hubs, groups and organisations that support their rural communities through a wide range of initiatives. These hubs and organisations vary around the country with their community needs. These include catchment groups, community centres, rural women and young farmer networks. Piggybacking on existing initiatives will be important, such as catchment groups set up to plant riparian margins. Some catchment groups, such as the Moutere Catchment group in Tasman hosts a range of talks and workshops on climate change and soil as well as planting and water quality. These trusted groups are often tight on funds and rely heavily on volunteers, which could do significantly more work if better resourced.
- Resource community led initiatives AND facilitators. Landcare Trust has a wealth of experience of farming, contacts in communities and demonstrated facilitation of workshops, projects, catchment groups and peer to peer learning.
- Through recent One Billion Trees funding and other initiatives many people around the country have gained a wealth of experience and knowledge about working collaboratively in their catchments and communities, understanding the barriers and the support their communities need. It is vital that these volunteers and employers like catchment coordinators are retained and enabled to support this work into the future.

### **Moving beyond fear, blame and shame**

We need to work together to both mitigate and adapt to climate change, which was the starting point for He Waka Eke Noa. Unfortunately we seem to be moving in the opposite direction. Online misinformation and disinformation is eroding trust in NZ institutions and polarising people's views on climate change. Communities can be empowered to address misinformation through on farm and community discussions about the scale of the problem and why we need to all tackle climate change.

Trusted rural organisations and individuals embedded in their communities are the

best people to lead these discussions. Without this shared understanding of the problems, there will continue to be a lack of social licence in both rural and urban communities to tackle climate change.

This also needs to be shared with the wider public, as all too often discussions in the public sphere about agricultural emissions seem to miss the complexities rural communities face. As part of the education and information there needs to be a nuanced discussion nationally about biological methane and differences to carbon dioxide emissions. It is clear that the lack of understanding in the wider public is counterproductive, especially to our rural communities. We hear again and again from people that they are confused.

A strong farmer focussed communications plan is needed to communicate climate change challenges, the urgency of the problem, and the need to evolve our practices to tackle this problem. Climate change is one of a number of interconnected challenges we face and it's important that farmers and their rural communities have the information and resources to tackle them collectively. As part of the education campaign we propose, there needs to be clear information about the role of agriculture emissions and sequestration. There are significant challenges, not least the varying values people have on what and how food is produced. We should focus on the common ground and be honest at the challenges and barriers food producers face.

Another fallout in this focus on arguing and protectionism is for our more marginalised groups and communities. We need better ways to bring people together in safe ways. This adversarial system promotes people to keep their heads down and their nuanced perspectives to themselves. This is unhelpful, particularly for our youth and kids who are very concerned about climate change and see the impacts in their rural communities. A key tool to reduce anxiety about climate change in kids and youth, is for them to see people and leaders in their communities taking the issue seriously and trying to do something about it. Collective action such through catchment groups that bring their communities together (farmers, lifestylers, schools etc) and the results can be seen in our communities and our youth and kids can be a part of that community effort, which further reduces their anxiety.

Key recommendation: A bipartisan effort and commitment to work together in a transparent way.

### **Interconnected approach to our challenges environmental, social and economic**

We continue to try and sort out our challenges one at a time. This is despite knowing our multiple challenges are part of a complex system that have shared causes and inputs. New legislation and rules must address how we can produce good quality

food, with low emissions and environment impact, protects and sequesters carbon and importantly supports farmer and rural communities wellbeing. Yet despite recognizing that this is a problem and with ongoing calls to address this from Māori and iwi, this proposal fails to do so. There are numerous legislative changes, such as National Policy Statements for Biodiversity and Freshwater Farm Plans and the aptly named Integrated Farm Planning Program, which appear to not have been appropriately integrated in the pricing system (beyond small mentions in appendix 3). In part this is a legacy from the original HWEN proposal, yet this is where the government could have added significantly.

How will these government legislative changes affect farmers ability to reduce their emissions and increase their sequestration and what are the unintended consequences if this is not done adequately? We recommend a key work program going forward to work on an integrated approach that brings mitigation, sequestration, adaptation, freshwater, biodiversity and rural community wellbeing together. The government should make it easier for everyone to do the right thing, be it reducing emissions, increasing biodiversity or improving community wellbeing..

On a personal note, it is difficult for us to watch the battle of egos on climate change solutions waged on all sides. Every single human being on this planet will be or is already impacted by climate change and not for the better. This is a shared global problem and a responsibility from those of us in the Global North to behave better and do the best we can to ensure children today and their children don't suffer needlessly by our inaction.

Nga mihi,

Parents For Climate Aotearoa

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