Submissions form

We seek your feedback on the specific proposals in the Zero Carbon Bill.

Either email this submission to ZCB.Submissions@mfe.govt.nz (Microsoft Word document (2003 or later) or PDF) or post to Ministry for the Environment, PO Box 10362, Wellington, 6143.

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All or part of any written submission (including names of submitters) may be published on the Ministry for the Environment’s website, www.mfe.govt.nz. Unless you clearly specify otherwise in your submission, the Ministry will consider that you have consented to website posting of both your submission and your name.

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Personal / organisation details

You must provide either a company name or given name(s)

Company name Silver Fern Farms Limited
Given names
Surname
Contact person Justin Courtney – Head of Communications and Sustainability

Our Climate Your Say: Submissions Form
Submitter type, pick one:

☐ Individual
☐ NGO
☐ Business / Industry
☐ Local Government
☐ Central Government
☐ Iwi / Māori
☐ University
☐ Research Institute
☐ School
☐ Community Group
☐ Unspecified / Other

2050 target

1. What process should the Government use to set a new emissions reduction target in legislation?

Pick one:

☐ the Government sets a 2050 target in legislation now

☑ the Government sets a goal to reach net zero emissions by the second half of the century, and the Climate Change Commission advises on the specific target for the Government to set later.

We see benefit in the representative group of technical experts on the commission providing advice to Government on the target.

2. If the Government sets a 2050 target now, which is the best target for New Zealand?

Pick one:

☐ net zero carbon dioxide: Reducing net carbon dioxide emissions to zero by 2050

☐ net zero long-lived gases and stabilised short-lived gases: Long-lived gases to net zero by 2050, while also stabilising short-lived gases

☑ net zero emissions: Net zero emissions across all greenhouse gases by 2050.

We believe the target of ‘net zero long-lived gases and stabilised short-lived gases’ to be the most appropriate for New Zealand’s emissions profile. Separate targets for the different major gases (i.e. CO2, N2O to net zero and stabilization of CH4) will allow for targets to be set based on warming effects.
As a food processor generating $2.2b of product, of which over 85% is exported annually, it focuses our attention on reducing emissions from areas including; operational process heat, freight transport and refrigerants, while ensuring we remain internationally competitive.

The split gas approach should also give our farmer suppliers greater confidence to focus on areas they can currently control (CO2 and N2O) through continued carbon sequestration, on-farm efficiencies, and strategic nutrient use.

The point of obligation for agriculture’s measurement in the ETS should be measured on-farm to ensure each farm business is assessed and rewarded for changes in their farm systems which result in emissions reductions.

We believe methane from agricultural sources should be stabilised until commercially viable ruminant methane control is available.

Inclusion of methane in a net zero target would unfairly inflate New Zealand agriculture’s contribution to warming, as there is no net injection of carbon dioxide to the atmosphere. It would put New Zealand’s sheep and beef farmers competitively at risk, although their grass-fed farm systems have a lower carbon emissions profile than many of their international competitors.

Adapting to the option of ‘net zero emissions across all gases’ (coupled with the Government’s commitment to plant 1 Billion trees by 2027) has potential for rapid, large-scale land-use change. Should this approach be adopted the Our Climate Your Say consultation document noted that modelling suggests up to 10% of New Zealand will be given up to new forestry plantings.

While we understand the imperative to adapt to climate change, we are concerned future policy settings may perversely affect the sustainability of the regional communities we service - where our 16,000 farmer-suppliers and our 7,000 people who work at our 14 processing sites and additional support offices have built resilient communities.

Economics suggest that forestry companies will be looking to convert land that is easy to access for planting and harvesting, of sufficient size and low-cost to qualify for afforestation grants and provide the greatest economic return. We fear that will see this land-use change coming from highly productive sheep and beef finishing land.

This would not only affect our industry’s supply of lamb and beef and venison and ability to compete globally, but it has the potential to reduce employment opportunities in the regions and hollow out these communities.

To counter this potentially unintended consequence, we strongly encourage Government to review the current approach in the ETS to broaden the inclusion of plantings on-farm (shelterbelts, riparian margins, erosion control – generally under 5m high, 1ha in area, or under 30m in width) so that farmers can gain credit under the ETS for their planting efforts that are sequestering carbon. This should encourage diversified farming systems which include farm-forestry and have co-benefits of improved water-quality, biodiversity and regional employment as well.
3. How should New Zealand meet its targets?

Pick one:

☐ domestic emissions reductions only (including from new forest planting)

☑ domestic emissions reductions (including from new forest planting) and using some emissions reductions from overseas (international carbon units) that have strong environmental safeguards.

Provided the overseas units have a high degree of integrity (potentially their use, including volume limits, is regulated by the Climate Commission) we believe the Government should be able to use them to meet our international obligations in a way that manages the effects of a transition to a low emissions economy on our communities.

To increase the availability of New Zealand credits while at the same time encouraging growth in domestic forestry, we encourage a broadening of the qualification for NZUs to allow for inclusion of small-blocks of plantings on-farm in the ETS.

4. Should the Zero Carbon Bill allow the 2050 target to be revised if circumstances change?

Pick one:

☑ yes

☐ no.

Should there be a scientific breakthrough that can be commercialised that reduces methane produced from animals then it would make sense to revise the target. The revised target could be used to incentivise and reward those farmers who can take up that technology to reduce their liabilities from methane.

Until the technology is able to be commercialised we maintain emissions from methane should not be included in the ETS.

It also allows the Government to adapt and revise the targets should other countries not include agriculture in their ETS (e.g. Australia for lamb and beef) and it puts New Zealand competitively at risk.

Emissions budgets

5. The Government proposes that three emissions budgets of five years each (ie, covering the next 15 years) be in place at any given time. Do you agree with this proposal?

Pick one:

☑ yes

☐ no.
Clearly defined 5-year targets over a 15 year period should create a predictable emissions pathway for our business so we can factor the targets into our capital expenditure plans as we renew our operational infrastructure.

There are benefits in having a 5-year period which aligns with the Paris Agreement for measurement and reporting. The 5 year timescale also crosses over election cycles. This has the advantage that it should provide greater certainty to business.

6. Should the Government be able to alter the last emissions budget (ie, furthest into the future)?

Pick one:
- yes, each incoming Government should have the option to review the third budget in the sequence
- yes, the third emissions budget should be able to be changed, but only when the subsequent budget is set
- no, emissions budgets should not be able to be changed.

We recognise that the Government requires flexibility. However, this should be a consultative process using advice of the Climate Change Commission, and should involve cross-party support so it is broader than a decision made by the government of the day. A robust process should ensure businesses have confidence in the decision.

7. Should the Government have the ability to review and adjust the second emissions budget within a specific range under exceptional circumstances?

Pick one:
- yes
- no.

This should be an option in exceptional circumstances. The Climate Change Commission should specify the range as part of a revision/adjustment.

8. Do you agree with the considerations we propose that the Government and the Climate Change Commission take into account when advising on and setting budgets?

Pick one:
- yes
- no.

Optional comment
Government response

9. Should the Zero Carbon Bill require Governments to set out plans within a certain timeframe to achieve the emissions budgets?

Pick one:
✓ yes
☐ no.

Optional comment

10. What are the most important issues for the Government to consider in setting plans to meet budgets? For example, who do we need to work with, what else needs to be considered?

As a red meat processor we should not be the point of obligation for agriculture. The point of obligation for agriculture’s measurement in the ETS should be measured on-farm to ensure each farm business is assessed and rewarded for changes in their farm systems which result in emissions reductions. Government need to weigh whether their plans to meet the budget will put us competitively at risk with our competitors. We are concerned about the potential for carbon settings to create large-scale land-use change from highly productive sheep and beef finishing country to plantation forestry and the effect it will have on hollowing out regional communities.

Climate Change Commission

11. The Government has proposed that the Climate Change Commission advises on and monitors New Zealand’s progress towards its goals. Do you agree with these functions?

Pick one:
✓ yes
☐ no.

Optional comment

12. What role do you think the Climate Change Commission should have in relation to the New Zealand Emissions Trading Scheme (NZ ETS)?

Pick one:
advising the Government on policy settings in the NZ ETS

The Commission’s recommendations on ETS settings, such as unit allocation, should be made public prior to Government making changes to the ETS settings. Ultimately, the Government is responsible for achieving their global commitments on climate change and they need to do so while managing additional social considerations to achieve them in a way that controls the direction and rate of change.

13. The Government has proposed that Climate Change Commissioners need to have a range of essential and desirable expertise. Do you agree with the proposed expertise?

Pick one:
✓ yes
□ no.

Given the country’s emissions profile we believe agricultural farm systems science expertise should also be included in the list of essential expertise.

Adapting to the impacts of climate change

14. Do you think the Zero Carbon Bill should cover adapting to climate change?

Pick one:
✓ yes
□ no

The risk assessment and adaptation planning proposed has the potential to assist in the development of mitigation and adaptation initiatives, while it is proposed that it applies to organisations that own public infrastructure or deliver public services, the knowledge gained may assist in wider business decision-making.

We would hope that it does not duplicate the RMA processes, and/or increases the reporting burden on public businesses to meet the obligations of public companies and local/regional councils.

15. The Government has proposed a number of new functions to help us adapt to climate change. Do you agree with the proposed functions?

Pick one:
16. Should we explore setting up a targeted adaptation reporting power that could see some organisations share information on their exposure to climate change risks?

Pick one:

- [x] yes
- [ ] no.

We see this as essential for the national adaptation plan and the district planning process. It would also prove valuable for businesses who rely on the resilience of public services and infrastructure to develop their own adaptation plans.