

# Your submission to Zero Carbon Bill

Nic Conland, **Wairakei Pastoral Limited (Nic Conland)**

## Reference no: 12732

**Submitter Type:** Individual

### Clause

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

### Position

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

### Notes

### Clause

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

### Position

Net Zero Long-Lived Gases and Stabilised Short-Lived Gases - Long-lived gases to net zero by 2050 while also stabilising short-lived gases

### Notes

### Clause

3. How should New Zealand meet its targets?

### Position

Domestic emissions reductions only (including from new forest planting)

### Notes

### Clause

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

### Position

Yes

### Notes

### Clause

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

### Position

Yes

### Notes

### Clause

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

### Position

Yes - the third emissions budget should be able to be changed but only when the subsequent budget is set

### Notes

### Clause

7. Should the Government have the ability to review and adjust the second emissions budget within a specific range under exceptional circumstances? See p36 Our Climate Your Say

### Position

Yes

### Notes

### Clause

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? See p44 Our Climate Your Say

### Position

Yes

**Notes**

**Clause**

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

**Position**

Yes

**Notes**

**Clause**

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? See p42 Our Climate Your Say

**Position**

Yes

**Notes**

**Clause**

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

**Position**

Makes decisions itself in respect of the number of units available in the NZ ETS

**Notes**

**Clause**

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? See p45 Our Climate Your Say

**Position**

Yes

**Notes**

**Clause**

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

**Position**

Yes

**Notes**

**Clause**

15. The Government has proposed a number of new functions to help us adapt to climate change. Do you agree with the proposed functions? See p47 Our Climate Your Say

**Position**

Yes

**Notes**

**Clause**

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?

**Position**

Yes

**Notes**

Supporting documents from your Submission

Submission\_on\_the\_Zero\_Carbon\_Bill.pdf

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# Submission on the Zero Carbon Bill

## Summary

1. This submission is made on behalf of Wairakei Pastoral Limited. Wairakei Pastoral Limited (WPL) is the freehold owner of the 25,723 hectares (ha) Wairakei Estate (the Wairakei Estate) north of Taupo. Since the establishment of the Enterprise in 2004, 15,734ha (or 61 percent of the site) has been progressively developed for farming activities, with the land now primarily used for dairy farming.
2. The Estate's future development will involve continued land use changes to establish the appropriate balance between farming activities and retired areas that achieves environmental and economic sustainability. The Estate is located on land dominated by free draining pumice soils and originally comprised of pine plantation, including the Tahorakuri and Broadlands Forests in the north (the Tahorakuri Block) and the forest east of Mt Tauhara in the south (the Tauhara Block). Each area has distinctively different characteristics.
3. The Enterprise is a significant pastoral and forestry complex. As shown in Figure 1 below, the Enterprise is primarily used for farming activities, with approximately 61% of the Enterprise area being used for dairy, dairy support, dairy sheep and Lucerne, followed by 39% used for plantation forestry and retired areas.

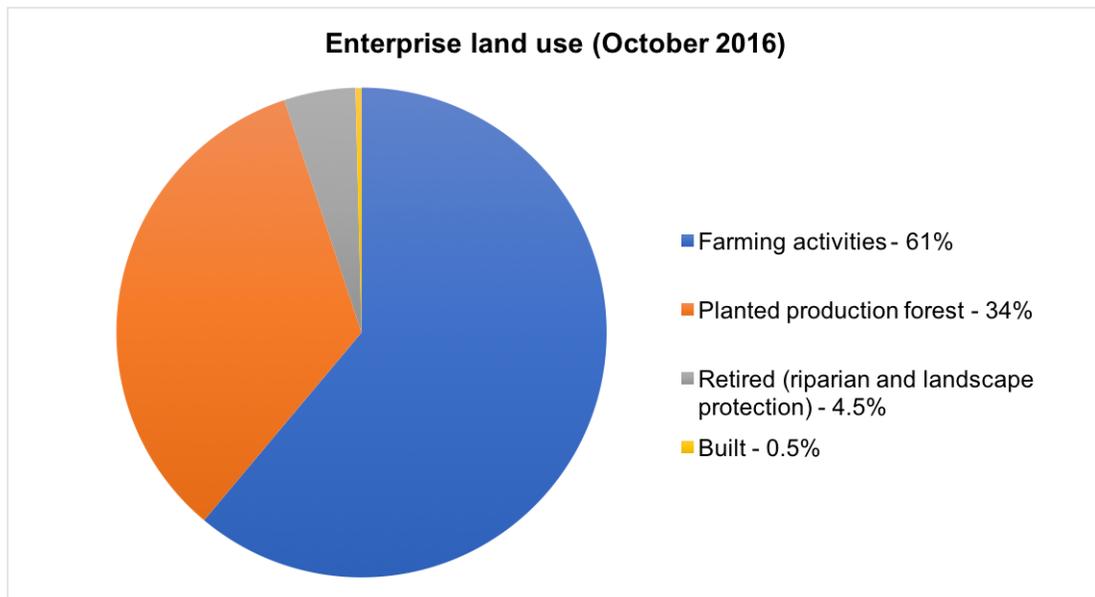


Figure 1: Landuse proportions on the Estate

4. The Tahorakuri Block comprises of gently undulating broad plateaus of pumice, with a mean land surface slope of 5 degrees. For the most part, this block is crossed by few streams due to

the highly permeable nature of the soils, which limits surface runoff. The topographic contours vary from approximately 300 to 550m AMSL, although the vast majority of the area is at approximately 350-450m AMSL.

5. The Tauhara Block comprises generally steeper land with a mean land surface slope of 9.5 degrees and a greater propensity of steeply incised drainage valleys. The topographic contour of this block is significantly more variable than that of the Tahorakuri Block, ranging from approximately 300m AMSL adjacent to the Waikato River to approximately 800m AMSL in the south. Steeply incised drainage valleys disturb the topographic pattern in the west (Orakonui Stream) and in the south (Pueto, Sexton and Paetataramoa Streams).
6. The Estate has both a transactional and long-term relationship to both the administration of the Zero Carbon Bill and to sustainable land management to achieve climate change objectives.
7. This submission seeks to provide some examples of current issues with the parties responsible for administering the Emissions Trading Scheme (ETS) and ideas for improving participation and performance of the proposed Bill.
8. The submission is divided into three topics to which relate to the Estates experiences.
9. We wish to be heard in relation to this submission.

#### 1. [Transaction issues with current Emissions Trading Scheme](#)

10. The Estate has been a participant and account holder in the ETS since 2004.
11. These experiences have involved the Estate in numerous transaction and staff interactions over the successive years. To enable the office of the Ministry responsible for implementing the Zero Carbon Act successful we strongly recommend that the process is appropriately resourced. In the current process an applicant can be left waiting for up to three months to receive a reply on an application or a query.
12. We also experience a strong focus on detail which involves tedious use of resources to resolve issues like whether a shadow is a tree or not. This use of agreed and consistent datasets is an important foundation for an accountancy framework and we recommend consultation on this data and agreement prior to implementation.
13. Agreement on the datasets used in the implementation, should also allow reporting on performance on the outcomes sought from the Bill.
14. Given the likely issues and disagreement between parties we recommend there is a resolution or arbitration process included in the Bill. This maybe the role of an independent party or the proposed Climate Commission.

15. The independent body should be a nationally represented body with a national database and an access portal to enable applicants and those interacting with the data the ability for ease of viewing. This independent body should be resourced with field staff and advisors for the ETS process.
16. We strongly support the use of remote sensing technology such satellite data to provide background datasets in real time and collected to provide a temporal record.

## 2. Framework to include wider carbon mitigations

17. The current ETS fails to incentivise a range of mitigation options for plantings which could if included sequester carbon in the rural and potentially urban environments. The Estate believes that the inclusion or provision of a pathway to inclusion of a broader range of mitigation options would encourage wider participation and credit landowners for the work undertaken for wider environmental benefits.
18. The current facility for including riparian areas is on an explicit geographic basis, this approach is a symptom of the technology available at the time of the ETS. New technology with finer resolution for accurate planting surveys means that a wider range of mitigation options could be included. These could include but not be limited to
  - a. Wetland Plantings
  - b. Erosion control plantings
  - c. Shelter belts
19. In adopting this approach, a 'sum' of the areas as the qualifying area (aggregate) could be used to determine the overall sequestration from a property.
20. As such we think that an area-based criterion such as 1Ha minima should be removed.
21. The value in this approach is that it has a direct relationship to other environmental demands on the property such as Farm Environment Plans and their relationship to other farm objectives such as the control of hillside erosion or stock exclusion.
22. The existing schedule for approved species has limitations for trialing other tree types or planting options. We think that a schedule for determining the relative sequestration for each species should replace a fixed list. In this way the organization with governance responsibility for the Act would maintain a flexible list and a review/adoption process.
23. The Estate has a dynamic approach to landuse where changes are driven by environmental and economic efficiency. In practice this means that landuse can change relative to market conditions and whether freshwater objectives are being met.
24. Under the current ETS approach it is unclear and uncertain whether a whole of life approach is possible for collecting carbon credits.

- a. Example If a radiata rotation is harvested at 25 years due to high log prices, there is a 'carbon' penalty to the land or carbon right owner.
  25. We think that a subsequent rotation replanted should be able to collect further carbon at year 26 in the same location. As it at this point increases the whole of life sequestration from that forestry block.
  26. By including the ability to have rates for sequestering relative to planting cycle – i.e. the ability to harvest early and late on same block and collect the difference relative to the age class. Will encourage landowners to keep trees sequestering carbon when the carbon price is high relative to the wood price.
  27. The Estate supports the introduction of livestock to the ETS as long as there is agreement on the approach to mitigations and offsetting between properties and landowners.
  28. We also believe that this should be concurrent with the development and roll out of portal-based calculation tools such as OVERSEER FM or other tools developed as fit for purpose.
  29. The current system for carbon liability attaching to landowner and/or Enterprise needs to be maintained to avoid negative liability outcomes by actions of a tenant or lessee.
3. Provision of Soil Carbon accounting into the framework
30. The Estate believes that the long-term inclusion of soil carbon accounting to the ETS is an important plank for carbon management. The farm scale contribution of soil carbon sequestration is low. However, the practice level benefits from retaining C:N ratios are high and provide other environmental benefits.
  31. This approach would allow for retaining soil carbon levels at a level where carbon is built and retained in the soil, while encouraging reduced fertilizer demand and nitrogen efficiency leading to pasture and horticultural productivity.
  32. New Zealand could take a principled position on soil carbon in the international community, demonstrating leadership as a leading edge agricultural economy.
  33. Finally, the inclusion of soil carbon provides certainty through time for sustainable soil management and a long-term view of land ownership and responsibility.