

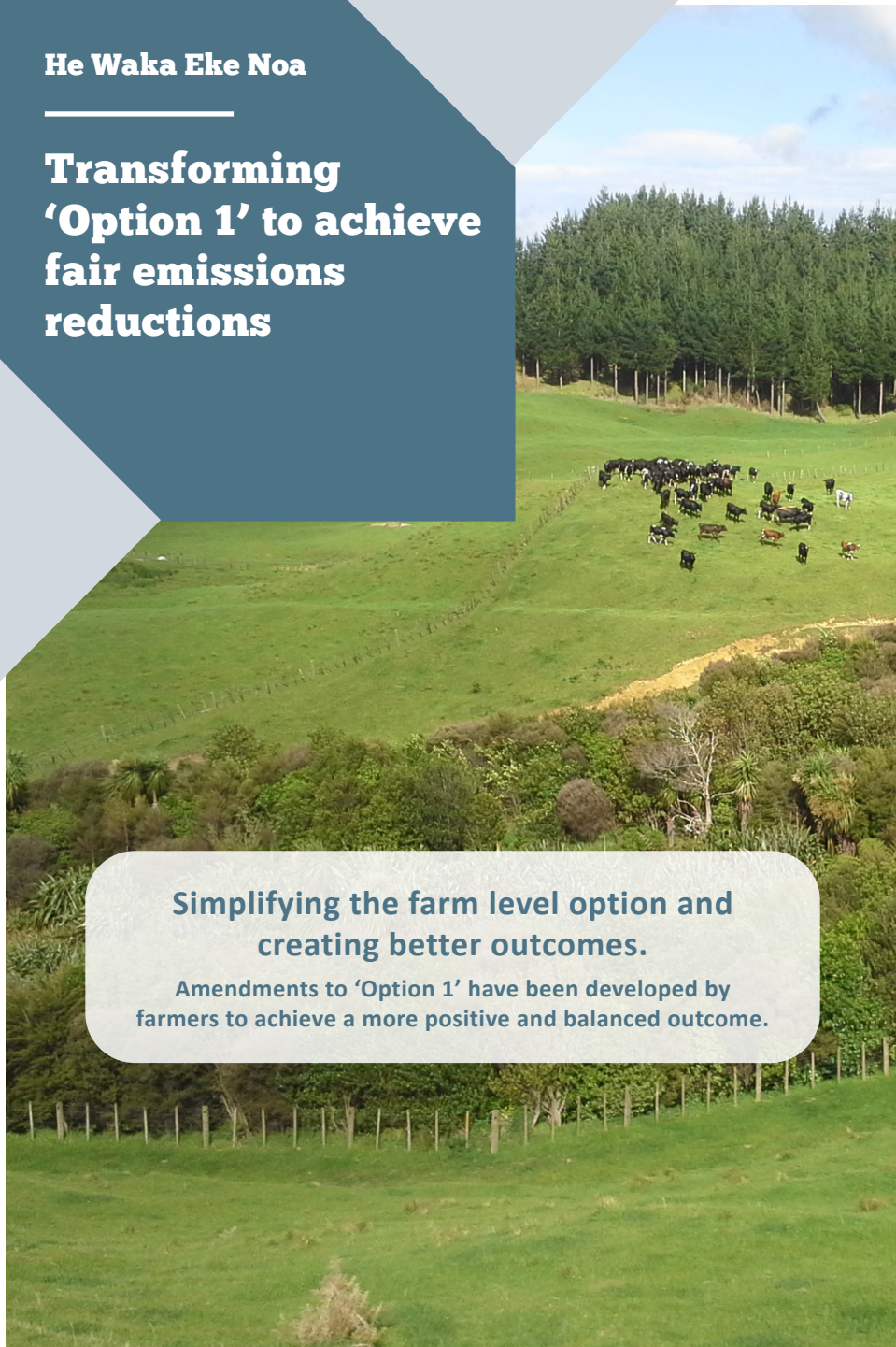
**He Waka Eke Noa**

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# **Transforming 'Option 1' to achieve fair emissions reductions**

**Simplifying the farm level option and  
creating better outcomes.**

**Amendments to 'Option 1' have been developed by  
farmers to achieve a more positive and balanced outcome.**



## Option 1 amendments will:

- Set clear achievable targets - warming neutral by 2030.
- Use a stepped pricing of emissions on a per hectare basis to reward positive change.
- Reporting through IRD (compliance is affordable and simple).

## Our concerns for Option 1 in its current form:

- The pricing system does not seem fair for extensive farms (our amendment is on a stepped basis with reference to the grass curve).
- All our emissions are being taxed so why are we not allowed to capture all our sequestration?
- Are we using the latest science - if not, why not?

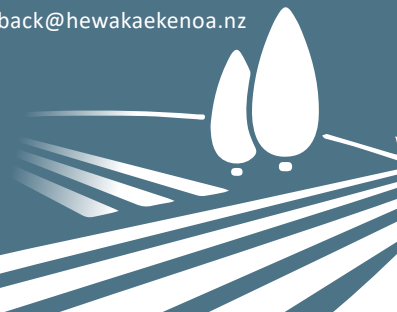
## Using these amendments we can achieve:

- Farming that is warming neutral.
- International recognition of New Zealand farming as world leading by contributing to climate cooling post-2030.
- Individual farmers empowered to be accountable and enthusiastic stewards of the land, using every available tool.
- An integrated approach to farming that aligns with Te Taiao – Fit for a better world. Our soils, water, natural heritage and community are valued.
- Public pride in our farmers and farming landscapes. Our role in mitigating climate change is well understood.

More information to follow.

If you support this approach, **we ask that you also submit feedback in kind to He Waka Eke Noa before Sunday 27th March 2022** via email: [yourfeedback@hewakaekenoa.nz](mailto:yourfeedback@hewakaekenoa.nz)

*Amendments to Option 1 have been developed by the following farmers: R. Burke, R. Dalrymple, B. Ensor, G. Gleeson, S. Hales, M. McCoard, K. Middelberg, J. Somerville, J. Stevens, K Worsnop*



## Comparison of ETS, He Waka Eke Noa (HWEN) options 1 and 2 with proposed option 1 amendments

Important features of the pricing mechanism (as specified by HWEN)	ETS Default Option	HWEN Option 1: Farm-Level Levy	HWEN Option 2: Processor-Level Levy	Option 1 Amendments: Farm-Level Levy
Effective: Reduces agricultural emissions in total and per unit of product.	?	?	?	?
Practical: Clear and simple system, minimises administration costs.	x	x	✓	✓
Credible: Scientifically robust (includes Mātauranga Māori), transparent.	x	x	x	✓
Integrated: Aligns with wider (environmental) sector and government objectives and activities.	x	?	x	✓
Equitable: Recognises early adopters, 'equitable' impacts across the agricultural sector.	x	?	x	✓

### Important outcomes of the pricing mechanism

Lowers risk of large-scale afforestation at the expense of farmland.	x	x	x	✓
Farmer well-being. Farmers have a sense of control and real options.	x	x	x	✓
Responsibility for managing emissions lies with individual farmers. All farm systems participate.	x	✓	x	✓
A clear target is set for all farmers (warming neutral by 2030).	x	x	x	✓
Incentives to do more than the minimum through progressive pricing linked to absolute emissions.	x	x	x	✓
The progressive pricing recognises the increasing number of mitigation options available in more intensive farming operations.	x	x	x	✓
Independent of ETS price (linked to fossil fuels) for CO2-e.	x	x	x	✓