

24 November 2021

Ministry for the Environment  
PO Box 10362  
WELLINGTON 6143

By email: [climateconsultation2021@mfe.govt.nz](mailto:climateconsultation2021@mfe.govt.nz)

Dear Sir or Madam,

## Emissions Reduction Plan Discussion Document

Chartered Accountants Australia and New Zealand (CA ANZ) welcomes the opportunity to provide feedback on the above discussion document. Appendix A provides more information about CA ANZ.

CA ANZ continues to be an advocate for, and supporter of, a just transition to a net zero economy. As a professional body, CA ANZ seeks to advocate in the public good on policy areas that impact our members, the accounting profession and the public.

We recognise that climate change mitigation and adaptation will substantially rely on both macro and micro economic policies and the associated market and non-market mechanisms in which accounting practices are embedded. The profession can make a significant contribution to both climate change mitigation and adaptation at individual entity, industry sector and economy-wide levels. Accountants are ideally placed to be involved in risk management, operational resilience processes, reporting and measurement activities.

### **Agriculture**

We are supportive of initiatives like He Waka Eke Noa which support education and research activities and provide a framework for measuring on-farm emissions and developing on-farm mitigation plans.

Our rural sector members are concerned that existing technologies are not overlooked in determining the level of biogenic methane reductions that are achievable. They recognise that new technologies will also contribute to mitigation efforts, but believe that the contributions from existing technologies may not be well understood.

### **Forestry**

Our rural sector members have raised concerns over the use of forestry (in particular, permanent exotic forestry) as a buffer (as referred to in question 106). Internationally, we note that concerns have been raised regarding the 'race to net zero' and emissions offsets being used in place of genuine reductions in emissions.

We consider it critical for the Ministry for the Environment to ensure efforts are primarily focused on emissions reduction and elimination in sectors where solutions are available. As has already been implemented by some jurisdictions overseas, we encourage the Ministry for the Environment to consider limiting the use of offsets by these sectors in the future.

We support the use of native forests as long-term carbon sinks (as opposed to the use of exotic forestry for this purpose), particularly as native forests also provide native ecosystem and biodiversity benefits.

We encourage the development of a transparent and centralised process for determining appropriate sites. Further research is needed to determine the 'right tree in the right place,' particularly as some land currently classified as 'marginal' supports regional communities and provides large-scale employment.

Transparency as to the entity(s) using a particular forest to offset their greenhouse gas emissions is important. This would provide accountability and encourage better-quality forestry offsets.

### ***The role of tax***

As we noted in [our submission to the Climate Change Commission](#), we encourage the Ministry for the Environment to build on existing proposals to use the tax system to support clean transport options and the just transition in other areas like water and waste. As different proposals are developed, consideration of the future tax base (as a result of incentives and changing behaviours) is needed. We also encourage the Ministry for the Environment to consider the Tax Working Group's recommendations about the use of environmental taxes to price negative externalities.

### ***Conclusion***

As the Ministry for the Environment is aware, the impacts of climate change are already being felt throughout the world and urgent action is needed to limit the consequences. With climate change come potentially profound negative economic and non-economic consequences including effects on production, financial stability, living standards and employment - and more indirectly on social cohesion and political stability. On the upside climate change nevertheless presents transformation opportunities.

Widespread and ongoing awareness raising and consultation will be key to ensuring that a just transition takes place. Consultation will be needed to understand the effects on all stakeholders including financial and compliance costs, and the policies needed to protect the most vulnerable.

Should you have any questions about our submission or wish to discuss it with us, please contact Karen McWilliams via email at [karen.mcwilliams@charteredaccountantsanz.com](mailto:karen.mcwilliams@charteredaccountantsanz.com) or phone +61 612 8078 5451.

Yours sincerely

**Peter Vial FCA**  
New Zealand Country Head

**Karen McWilliams FCA**  
Business Reform Leader  
Advocacy & Professional Standing

# Appendix A

## About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand (CA ANZ) represents 131,673 financial professionals, supporting them to make a difference to the businesses, organisations and communities in which they work and live. Chartered Accountants are known as Difference Makers. The depth and breadth of their expertise helps them to see the big picture and chart the best course of action.

CA ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world-class services and life-long education to members and advocates for the public good. We protect the reputation of the designation by ensuring members continue to comply with a code of ethics, backed by a robust discipline process. We also monitor Chartered Accountants who offer services directly to the public.

Our flagship CA Program, the pathway to becoming a Chartered Accountant, combines rigorous education with mentored practical experience. Ongoing professional development helps members shape business decisions and remain relevant in a changing world.

We actively engage with governments, regulators and standard-setters on behalf of members and the profession to advocate boldly in the public good. Our thought leadership promotes prosperity in Australia and New Zealand.

Our support of the profession extends to affiliations with international accounting organisations. We are a member of the International Federation of Accountants and are connected globally through Chartered Accountants Worldwide and the Global Accounting Alliance. Chartered Accountants Worldwide brings together members of 15 chartered accounting institutes to create a community of more than 1.8 million Chartered Accountants and students in more than 190 countries. CA ANZ is a founding member of the Global Accounting Alliance which is made up of 10 leading accounting bodies that together promote quality services, share information and collaborate on important international issues.

We have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents more than 870,000 current and next generation accounting professionals across 179 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications.

We employ more than 500 talented people across Australia, New Zealand, Singapore, Malaysia, Hong Kong and the United Kingdom.