

**House of Representatives**

**Supplementary Order Paper**

**Thursday, 25 October 2012**

**Climate Change Response (Emissions Trading and  
Other Matters) Amendment Bill**

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*Proposed amendment*

Moana Mackey, in Committee, to move the following amendment:

*Clause 96:*

Delete *clause 96* (line 18 to line 25 on page 57).

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**Explanatory note**

This Supplementary Order Paper removes *clause 96* from the Bill. This clause removes the entry date for agriculture which is due to come into the emissions trading scheme in 2015. It would instead have an indefinite entry date for agriculture.

Agriculture accounts for nearly half of New Zealand's emissions. The emissions trading scheme was designed to have agriculture included as an all sectors, all gasses scheme and cannot work without all sectors in it. When agriculture is not in the scheme this means other participants have to compensate for this and reduce their emissions further for New Zealand to meet its targets.

The point of an emissions trading scheme is to incentivise businesses to become more efficient at production so New Zealand has a lower carbon impact. Where a sector is excluded like agriculture it loses the incentive to reduce emissions and will become less efficient. It is important agriculture remains in the scheme. To have a date is also important to provide regulatory certainty for agriculture. If that sector does not know when it will enter the scheme it is unable to plan ahead or invest. Sixty-nine percent of submitters to the select committee who gave a view on this clause were opposed to it being in the Bill and as such this Supplementary Order Paper proposes to remove it.

**Proposed amendments to  
Climate Change Response (Emissions Trading and  
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