Feedback on the Discussion Document – New Zealand's second emissions reduction plan - Tā Aotearoa mahere whakaheke tukunga tuarua. 2026-30

24 August 2025

The following submission is from Hawke's Bay Regional Council (HBRC) in relation to the potential nationally significant role the 'Land for Life' project has potential to play in relation to the Government's five pillars and to successfully delivering against New Zealand's climate change targets under the second Emissions Reduction Plan (ERP2). It covers the potential roles that Government can play as part of this public-private partnership to catalyse reduction of net emissions in New Zealand's pastoral farming systems, improving productive farmland resilience and support thriving farming businesses.

Background – what is Land for Life?

Land for Life is a collaboration between Hawke's Bay Regional Council (HBRC), The Nature Conservancy Aotearoa New Zealand (TNC NZ) and the NZ Government represented by the Ministry for Primary Industries (MPI). It is a public-private partnership designed to support a shift to resilient land production systems, which provides the tools, expertise and capital needed for farmers to meet environmental and regulatory demands, while preserving productivity and business performance.

Land for Life partners with landowners on two principal interventions:

- Supporting farmers to plant the right trees in the right places and protect existing native forest and wetland remnants, to reduce net carbon emissions, reduce erosion, improve freshwater quality, improve biodiversity and build resilient farms; and

- Supporting improvements in pastoral farm systems, through best practice and regenerative farming models that are good for farmers' bottom lines and the environment.

This builds on a c.4 year research programme, which informed development of the Land for Life model. The Land for Life model has been initially piloted on 12 Hawke's Bay farms, which underpinned a formal business case (utilising The NZ Treasury's "Better Business Case" model) that was approved by HBRC, MPI and TNC NZ in late 2023. The business case describes the steps needed to scale Land for Life to 600 farms in the Hawke's Bay region, and to assess further potential to scale the model across other regions with similar hill country erosion challenges (including but not limited to Northland, Gisborne/Tairāwhiti, Manawatu-Whanganui, Wellington/Wairarapa & Tasman).

The Land for Life model includes a full toolkit to roll out across farms including digital farm mapping, modelling and planning. We have an approved business case, industry support and partial funding, and confirmed interest from banks in participating through a 'green financing deal'. Government funding for the next stage is currently being assessed through a current Sustainable Food and Fibres

Futures application. The intent of MPI, HBRC and TNC is to transition to a sustainable financing model where the Land for Life model is self-funding as it is scaled nationally, with sustainable financing options to be explored in the next stage.

 The farm planning model includes supporting farmers with measuring their net GHG emissions, with additional opportunity to support uptake of new technologies over time that contribute to GHG emission reductions through the farm planning and financing mechanisms.

What is the potential contribution of Land for Life to ERP2?

The modelled benefits within the Hawke's Bay region by 2030 and 2050 are

By 2030	By 2053
16385 ha of land improved management or protection (existing forest remnants) 40055 ha of land with improved management (afforestation/agroforestry)	16385 ha of land improved management or protection (existing forest remnants) 71759 ha of land with improved management (afforestation/agroforestry)
12600kms of rivers with improved management 2700ha of wetlands or lakes with improved management	21000kms of rivers with improved management 4500ha of wetlands or lakes with improved management
19000ha of coastal marine area with improved management 360ha of estuary with improved management	32000ha of coastal marine area with improved management 650ha of estuary with improved management
Limited tCo2e sequestered (due to plantings being so new) 610000tCo2e emissions reduced	17.5m tCo2e sequestered 1.013 m tCo2e emissions reduced

The estimated benefits through national scaling are:

30 year estimated national benefits*

110-150 million
Emissions reduction **110 - 150 million** tCo2e sequestered.

550,000 - 700,000 ha of land with improved management through **afforestation or agroforestry**.

160,000 - 200,000 km of rivers with improved management.

45,000 ha of wetlands and lakes under improved management or protection.

3,000,000 ha of land under best management practice and regenerative interventions.

Additional benefits relevant to ERP2 include:

- Future impacts avoided, including impacts on public safety, infrastructure, homes, possessions and livelihoods downstream during weather events (each dollar invested in proactive riverine management, such as afforestation/nature based solutions, saves $7 in post-flood recovery costs).

- Emissions reduction and other benefits associated with improvements in pastoral farming systems (e.g., improvements in feed and nutrition, animal genetics, pasture management, fertiliser management etc.)

- Cultural benefits associated with relationship between Māori, their culture, and their traditions and their ancestral lands, waters, sites, wāhi tapu, and taonga, including restoring and futureproofing the pre-colonial transfer of mātauranga Māori.

Strategic alignment with ERP2 and Government Pillars

Land for Life is strongly aligned with the following priority pillars:

Pillar 1: Infrastructure is resilient and communities are well prepared – Land for Life limits damage on-farm and downstream to infrastructure and lives and works with rural communities and individual farms to strengthen resilience.

Pillar 5: Nature-based solutions address climate change – Land for Life adopts nature-based solutions, including planting the right trees in the right places and protect existing native forest and wetland remnants.

As a public private partnership, the Land for Life model uses private capital to fund on-farm costs (through green lending), blended with a mix of cost-recovery, philanthropic, local government and central government (TBC) funding to catalyse uptake. The central government contribution sought for the next stage is $1 million, which unlocks $34-35 million of additional investment, and with intent the model is then self-funding as it is scaled nationally.

The Land for Life model is also an economically viable alternative to whole-farm conversion to forestry, with an estimated 15-20% of farms to be planted focusing on land classes most vulnerable to erosion.

It includes a focus on whenua Māori, including a financing model that helps to address traditional barriers to accessing capital that are a particular challenge for whenua Māori.

What role can the Government play to realise climate benefits from Land for Life – responses to ERP2 discussion document questions

The following responses are to questions 3.1-3.4, 4.5, 7.2 and 7.4 in the discussion document:

3.1	What else can the Government do to support NZ ETS market credibility and ensure the NZ ETS continues to help us to meet our targets and stay within budgets?

We encourage the Government to continue to provide for agroforestry within the ETS, including for LUC 6 land vulnerable to erosion, as this provides a pathway toward improving productive farmland resilience and supports thriving farming businesses.

3.2	What are the potential risks of using the NZ ETS as a key tool to reduce emissions?
3.3	How can the Government manage these risks of using the NZ ETS as the key lever to reduce emissions?

One of the risks associated with using the NZ ETS is that some externalities (positive and negative) are not taken into account, which impact the ability of the market to function properly and efficiently. A key example is that biodiversity and long-term erosion control co-benefits (positive externalities) associated with native afforestation are not recognised under the ETS. Native afforestation also avoids some negative externalities (e.g., downstream impacts of slash when forests are harvested). We encourage the Government to consider opportunities to improve market mechanisms to better recognise the positive externalities/co-benefits associated with native plantings, either through the ETS or a complementary market mechanism (e.g., biodiversity credits).

3.4	Do you support or not support the Government's approach of looking at other ways to create incentives for carbon dioxide removals from forestry, in addition to using the NZ ETS?

Yes. We encourage the Government to consider the opportunities presented by the Voluntary Carbon Markets internationally. There are high up-front costs to establish projects of sufficient quality to attract investment and reach the scale needed to play a significant role in sequestering emissions. By supporting projects, such as Land for Life, to access international Voluntary Carbon Markets (e.g., to leverage higher returns for native afforestation that delivers biodiversity co-benefits, or access voluntary markets for carbon sequestration associated with wetland restoration, which sits outside the scope of the ETS) the Government could increase the pool of international funding available and further strengthen incentives for farmers and regional economic returns.

4.5	Please provide any additional feedback on the Government's thinking about how to enable more private investment in climate mitigation for the next 18 months.

The Government can support Land for Life, which is a public-private partnership designed to support a shift to resilient land production systems, which provides the tools, expertise and capital needed for farmers to meet environmental and regulatory demands, while preserving productivity and business performance. This includes focus on reducing net carbon emissions through tree planting on marginal land, restoring wetlands and lake systems, and other on-farm improvements.

The Land for Life model has been developed and piloted, with a Business Case approved by MPI, TNC and HBRC, and is ready to start scaling in the next stage (awaiting confirmation of Government co-funding through a current SFF Futures fund application process).

7.2	How can the Government better support farm- and/or industry-led action to reduce emissions?

Key roles that Government Agencies (e.g., MPI, MfE, MBIE) can play in Land for Life include:

- Governance, including standard setting [Noting MPI already sits on the project's Steering Group, and this invitation has been extended to MfE]

- Supporting 'Technical Assistance' (e.g., catchment planning, farm planning, extension services, monitoring, research), including mobilising existing grant funding schemes to enable this function and deploying central government extension programmes in support of Land for Life where possible.

- Looking at options to adjust national policy settings where these incentivise better outcomes and working with the sector to simplify regulatory compliance and find solutions to potential barriers (e.g., supporting access to labour, lowering the costs of native planting and pest control, strengthening incentives for native afforestation including tools, such as biodiversity credits).

- Potential roles in impact investment (e.g., guarantee to protect others from downside risk, concessionary debt that catalyses others to 'crowd-in' additional funding).

- Supporting scaling of Land for Life to other regions (e.g., access to regional information and supporting regional conversations with local government, Treaty partners and regional economic development and other organisations)

- Co-funding to enable the next stage, which is to validate ability to scale and further assess national scaling potential under a self-sustaining model (a current Sustainable Food and Fibre Futures application is being considered by MPI).

| 7.4 | What are three possible ways of encouraging farmer uptake of emissions-reduction tools? |

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Land for Life's farm planning model includes supporting farmers with measuring their net GHG emissions, with additional opportunity to support uptake of new technologies over time that contribute to GHG emission reductions through the farm planning and financing mechanisms.

Land for Life addresses key barriers to uptake of solutions by farmers (identified through a Land for Life farmer survey and through market testing), including access to expertise, resources and capital. And it is a farmer-centric model (built around the aspirations of farmers for their land, and wider catchment group/rural community aspirations), with pilot farmers playing a key role in encouraging uptake and ensuring the model works for farmers.