

# C&F LEGAL LTD

## SPRING 2010



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Spring is in the air! And what a great feeling! We hope you have had a good winter (what a mild one we had) and hope that you are enjoying the beautiful spring weather! We have had a few changes in our team lately, and there have been a few changes in legislation which we would like to bring to your attention.



### Welcome to Tracy Sawtell

C & F Legal Limited are pleased to welcome Tracy Sawtell to the litigation team. Tracy has nine years litigation experience in Australia, specialising in insurance matters. Tracy is now admitted as a Barrister and Solicitor of the High Court of New Zealand and is working with Rick Farr, Peter McRae and David Ballantyne doing general litigation work. Because of Tracy's specialist background in insurance litigation, any clients with any insurance issues are encouraged to contact Tracy for any assistance required in this area.



### Welcome to Megan and Sarah

Megan Lewis joined us in April as our Receptionist and Office Assistant, replacing Libby Bowyer who left to travel overseas.

Sarah Bevernage has returned to Nelson from an extended OE in the UK and Europe and is now Rick Farr's PA and generally provides PA services to the litigation team. Sarah replaced Claire O'Hara who moved overseas to be with her partner.

We are delighted to welcome Sarah and Megan to the C & F Legal team.



## Emissions Trading Scheme

In late 2007 New Zealand introduced an emissions trading scheme to help tackle New Zealand's Kyoto Protocol obligations and help fight climate change. New Zealand's scheme covers a broad range of activities and includes all major sectors of the economy and all major greenhouse gases.

Participant businesses have to monitor, record and report on the greenhouse gas emissions they release or remove from the atmosphere, and submit an emissions return each year to the government. These returns are used to determine how many New Zealand Units ("NZU's") a business is required to account for to the government or receive from the government.

The scheme effectively puts a price on carbon emissions with participants having flexibility in how they meet their obligations under the scheme. Instead of buying all the carbon credits they need, businesses can choose to find less carbon-intensive ways to manufacture their products.

New Zealand's Emissions Trading Scheme also provides an incentive for forestry, as planting and growing trees earns NZU's which foresters can sell to other participants in the scheme. The government has also created other schemes that affect the forestry sector, including the Permanent Forest Sinkhole Initiative ("PFSI"). The PFSI complements the New Zealand Emissions Trading Scheme and provides an incentive to owners of less productive land to invest in 'carbon farming' as a means of retiring the land and generating ongoing income.

New Zealand's Emissions Trading Scheme will phase in over several years to eventually cover all major sectors of the New Zealand economy that produce greenhouse gas emissions and therefore contribute towards global warming and climate change.

Forestry entered the scheme in 2008, so land owners could start earning carbon credits for their standing forests straight away. The impact of the Emissions Trading Scheme is therefore a relevant consideration in all transactions involving land that has any forestry of more than one hectare.

The transport, industrial and energy sectors entered the Emissions Trading Scheme on 1 July 2010. The waste and synthetic gas sectors enter the scheme on 1 January 2013, and the last sector to enter, agriculture, comes in on 1 January 2015 although commentators are suggesting this date may change.

If your business operates within the transport, industrial and energy sectors the emissions trading scheme may currently apply to you and you could be required to account for your greenhouse gas emissions. If your business operates within the waste, synthetic gas or agriculture sectors this may be a time for you to start preparing for the introduction of the scheme to these sectors.

For more information on how the New Zealand Emissions Trading Scheme may affect you or your business, or to discuss voluntary participation in the PFSI or New Zealand Emissions Trading Scheme, please contact David Ballantyne at [david@cflegal.co.nz](mailto:david@cflegal.co.nz).

### September

#### Billing -

#### GST Increase

Due to the increase in GST from 1 October 2010 we are anticipating that our clients will prefer us to bill our files up to the end of September so that work done prior to that date is charged with GST at the old rate of 12.5%. If this is **not** your preference or you would otherwise like to discuss it, then please feel free to contact the person handling your file prior to 30 September 2010.

