Absolutely Positively Wellington City Council Me Heke Ki Põneke

26 November 2021

Attn: Ministry for the Environment Environment House Wellington 6143

Wellington City Council submission on Te hau marohi ki anamata, Transitioning to a low-emissions and climate-resilient future

The Wellington City Council (WCC) welcomes the opportunity to provide further input into the development of the government's first national emission reduction plan.

This will be a critical document for guiding New Zealand's transition to a zero-carbon society. As a country we need a clear vision and road map to achieve our 2030 and 2050 goals. Clear expectations will allow us all to understand our role - be it household, business, local government - in this collective endeavour.

Wellingtonians are ready to be part of the solution. The more we can be supported to act by central government the more we can do. Wellington City's own climate goals are to cut emissions by 57% by 2030 and to net-zero by 2050. These targets are in line with our resident²s' level of ambition. 77 percent of <u>Wellingtonians tell</u> us they are "very concerned" about the impact of climate change on Wellington, and 91 percent say they are prepared to take action to reduce emissions no matter what.

As a city we have already started doing what we can to set a path to net-zero. We already have the advantage of our compact urban and highly utilised rail and bus network. We are building on this advantage by:

- focusing new development within walking distance of the city and public transport routes (via our a spatial plan and District Plan review);
- investing in new mass rapid transit lines through the city as part of Let's Get Wellington Moving;
- opening up the Golden Mile to people and prioritising the movement of buses, bikes and pedestrians;
- investing \$220m in a city-wide bike network so by 2030 Wellingtonians will have the freedom to bike from suburb to city and to over 70 locals schools;
- investigating a new plan to create a low-traffic central city to reduce emission and bring more people into the heart of the city.

We are ambitious and willing to do our bit to cut emissions. But our ability to act and meet the scale of change needed also requires much greater central government action and coordination.

Central government and this Emission Reduction Plan should help to coordinate action across the country. National targets are useful, but it needs to be much clearer what role each region must play to meet our country-wide targets. Smaller councils in particular need support to measure and target emission reductions. Government needs to provide clear and strong direction to all local authorities if it expects 78 separate authorities to move in the same direction, at pace, toward zero emissions.

Wellington City Council

PO Box 2199 Wellington 6140 New Zealand Phone +64 4 499 4444 Fax +64 4 801 3138 Wellington.govt.nz Central government must be clear about how local government can fund and regulate for climate action. Various funding and regulatory settings - for example the constraint on funding for sustainable transport modes and the current prohibition on congestion charging - leave us waiting for central government to take the first step so we can act.

We would welcome the opportunity to work with central government on how it can best support local government to deliver on this plan. Please do not hesitate to reach out to our Climate Change Response team via <u>alison.howard@wcc.govt.nz</u>.

Yours sincerely

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Absolutely Positively Wellington City Council

Me Heke Ki Pôneke

Wellington City Council submission on *Te hau marohi ki anamata, Transitioning to a low-emissions and climate-resilient future*

The submission responds to the questions set out in the Ministry for the Environment discussion document which can be found here: <u>https://environment.govt.nz/assets/publications/Emissions-reduction-plan-discussion-document.pdf</u>

In this submission we make reference to comments made in past Wellington City Council submissions on climate policy. This includes the following submissions:

- The WCC submission on the Climate Commission's draft advice
 - <u>https://wellington.govt.nz/-/media/environment-and-</u>
 <u>sustainability/environment/files/consultation-question-and-answer-</u>
 <u>table.pdf?la=en&hash=6C2E1D7D5C4CD65AFA7DC279024C02AE96AD239E</u>
- The WCC submission on Hikina te Kohupara Transport Emission Pathways to Net Zero

 <u>https://wellington.govt.nz/-/media/environment-and-sustainability/climate-change/files/submission-on-hkina-te-kohupara--transport-emission-pathways-to-net-zero-by-</u>

2050.pdf?la=en&hash=EEA402D21BFD02DCAA22D08D8CD549C4D29E4B76

The WCC submission on the Select Committee inquiry into congestion pricing in Auckland

 <u>https://wellington.govt.nz/-/media/environment-and-sustainability/climate-change/files/submission-on-inquiry-into-congestion.pdf?la=en&hash=CD10EAF74F52262133EBF1B9D0924F68A2057067</u>

Transition pathway

1. Do you agree that the emissions reduction plan should be guided by a set of principles? If so, are the five principles set out above the correct ones? Please explain why or why not?

Yes. We support the principles, which are generally well articulated, with two comments. We have concerns about the word "affordable" in final principle:

"A clear, ambitious and affordable path"

The description does not provide clarity on what is meant by "affordable" or what would determine whether a path or policy were affordable. If this is not clarified it could well be assumed that affordability is measured relative to BAU, rather than the effects of climate.

We suggest changing this word to "cost effective" and clarifying that NZ will adopt the most costeffective pathways, while balancing this with the desire to maximise co-benefits. This will hopefully clarify that government is trying to choose between different paths to net zero, not between action and inaction.

We also question if the term "affordable" may be intended to mean something broader, like whether a policy is considered "publicly acceptable". A "public acceptability criterion" appears to be applied to various decisions to include or exclude various policy ideas from this discussion document. Public acceptability is a reasonable criterion to include and should influence the design of policy that we want to be long-lasting. Policy designers at both central and local government would benefit, however, from making this criterion explicit. The final principles therefore could try to define a publicly acceptability criterion. Doing so could encourage policy makers to consider public buy-in when designing policy, to think about the real psychological barriers to systemic changes, how behavioural insights can help overcome them, and how policies can be effectively communicated.

In addition, this bullet point needs clarification that hard-to-do abatement should also be started now:

• "use commercially available, low-emissions technology now, while fostering ambition, knowledge and innovation".

We suggest clarifying this principle by added a bullet point along the lines of:

• support central and local government to begin high-cost, labour-intensive abatement investments early, to spread the cost and resourcing over time.

The current wording could be interpreted to mean that the government's approach is to target lowcost, low-hanging fruit first and leave the high-cost, hard-to-do emission abatement measures to the future. We note that this has been the traditional approach in central government over many years. While this approach make sense in some areas, it should not be universally applied. This logic assumes that in the future the carbon price will justify higher cost measures or that new technology (supported by R&D) will make currently expensive abatement cheaper.

In some circumstances, however, delay simply further increases the cost and challenge of abating emissions. Any abatement measure that requires a significant infrastructure investment or large labour force could fall into this category. For example, building the core parts of a rapid transit network or retrofitting existing building stock to lift energy efficiency. In these instances, waiting until a carbon price is high enough to justify investment means compressing all this investment into a much narrower window. This in turn pushes up the cost of materials and labour and leaves little time to build domestic expertise. Instead, if we began planning to deliver these types of investment over the next 15-30 years this would allow time to develop:

- a sufficient domestic workforce
- a competitive number of local suppliers
- expertise in NZ-based delivery
- relationships and sources for low-cost materials.

2. How can we enable further private sector action to reduce emissions and help achieve a productive, sustainable and inclusive economy? In particular, what key barriers could we remove to support decarbonisation?

Clear stable ambitious policy positions that are durable over time. Ambition is important, as that enables businesses and organisations who want to take strong action to do so, knowing that their competitors will also be required to act.

3. In addition to the actions already committed to and the proposed actions in this document, what further measures could be used to help close the gap?

We have provided some constructive suggestions on a sector-by-sector basis in our answers to the questions that follow.

We note, however, that it is difficult to provide constructive ideas for additional policies as this discussion document does not succinctly articulate why various ideas put forward by the Climate Commission, Productivity Commissions, or submissions on other climate discussion documents, have not been adopted by central government. In the final emission reduction plan it would be

helpful to identify which policies recommended by the Commission are being advanced, which are not, and the rationale for why any recommended policies will not be implemented.

4. How can the emissions reduction plan promote nature-based solutions that are good for both climate and biodiversity?

By providing funding for these solutions. Also see the answer to question three. If you're referring specifically to growing carbon offsets, create incentives for mixed planting of exotic hardwoods mixed with native regeneration to create fast carbon sinks that transition to native forestry over time.

5. Are there any other views you wish to share in relation to the Transition Pathway?

Emission budgets

As per our submission to the Climate Commission, our preference would be to see deeper cuts in emissions over the 15 years covered by the proposed budgets. We would also like to see a greater domestic emission reduction achieved before 2030. This would support Wellington City Council's (WCC) own climate action plan, Te Atakura, which aims to reduce gross emissions by 57 percent by 2030. This target is strongly reliant on the actions of central government to drive the changes our city requires. We do not believe the proposed budget levels set New Zealand on a path to contributing its fair share to limiting warming to 1.5°C. There is a risk that they place us in a future position of being overly reliant on offshore mitigation and borrowing. Our expectation is that government set ambitious budget levels in proportion to the significance of the climate emergency declared by the government. We ask that government revisits the budget levels to deliver a larger proportion of cuts over the next 15 years.

Role of local government

As a council we would benefit from clearer guidance about the role local government is expected to play in reducing emissions. Statements about central and local government needing to work together, while true, are vague and could result in each party waiting for the other to act. For example, to what extent will councils be responsible for abating emissions generated by land use change and transport? Will we be expected to plan, incentivise, and fund changes to infrastructure to achieve emission reduction? Will we be liable for not meeting emission reductions? Will we be required to produce emission reduction plans?

Local government would also benefit from an understanding of central government's expectations on how emission reductions will be regionally distributed. For example, will Wellington and Southland both be expected to reduce carbon emissions or vehicle kilometres travelled at the same rate, or will this differ based on the relative concentration of such factors such as urban density and agricultural emissions?

Councils with limited resource and experience in emissions reductions would benefit from guidance from central government on:

- how to set emission reduction target for their districts, aligned with national targets (preferably a science based-target using the One Planet City Challenge methodology1)
- Measuring emissions based on the Global Protocol for Community Scale Greenhouse Gas Emission Inventories2
- How to forecast regional/city emission in a consistent manner with other regions/cities;
- What regulatory levers already exist to reduce emission in their jurisdictions; and

• Best practice behaviour-change and communication practice.

This is something that Wellington City Council staff would be happy to work with MfE on.

National direction and funding for local government

Much stronger national direction will be needed to achieve the proposed targets in this document. To achieve these emission reduction goals we need every local authority moving in a unified direction, at pace, starting as soon as possible. It seems very unlikely that this will happen across 78 separate local authorities without direction from central government. This could involve central government providing clearer direction to local authorities about the need

for:

- Regional emission reduction plans
- Regional emission reduction targets
- Regional VKT reduction targets
- Required levels of service for public transport, cycling infrastructure.

Leadership role for State Owned Enterprises

Government should enable State Owned Enterprises (SOEs) to play a leadership role in decarbonising sectors of the economy. This could be achieved by changing the State Owned Enterprises Act to allow SOE's to pursue investments that prioritise decarbonisation, even in instances where such investments this may not be currently commercially viable. This change would allow SOEs to identify decarbonisation opportunities that are currently uncommercial for their business, but which unlock faster and cheaper decarbonisation across the broader economy. For example, this could include significant investment in renewable energy or expansion of zero-emission rail services. This could be funded from either the SOE's balance sheet or specific Crown appropriations.

Adaptation/resilience

6. Which actions to reduce emissions can also best improve our ability to adapt to the effects of climate change?

The discussion document provides a list of examples that seem logical to us. We note that WCC along, with some other larger councils, are developing frameworks for thinking about this issue. Int addition to providing a list of example situations, it could be useful for central government to create guidance or standardised processes for considering the second, third order effects of both mitigation and adaptation actions.

7. Which actions to reduce emissions could increase future risks and impacts of climate change, and therefore need to be avoided?

Please see answer to question 6.

Working with Te Tiriti Partners

8. The Climate Change Commission has recommended that the Government and iwi/Māori partner on a series of national plans and strategies to decarbonise our economy. Which, if any, of the strategies listed are a particular priority for your whānau, hapū or iwi and why is this?

No comment

9. What actions should a Māori-led transition strategy prioritise? What impact do you think these actions will have for Māori generally or for our emission reduction targets? What impact will these actions have for you?

No comment

10. What would help your whānau, community, Māori collective or business to participate in the development of the strategy?

No comment

11. What information would your Māori collective, community or business like to capture in an emissions profile? Could this information support emissions reductions at a whānau level?

No comment

12. Reflecting on the Commission's recommendation for a mechanism that would build strong Te Tiriti partnerships, what existing models of partnership are you aware of that have resulted in good outcomes for Māori? Why were they effective?

In our view a by Māori for Māori or Māori-led approach (as per the recommendations of the Commission) will always be the best approach to design good outcomes for Māori. In this case, it's means mana whenua and Māori being actively supported to participate in the design process right from the beginning of this transition.

Please refer to the comments we made supporting the Climate Commission's recommendations in this area in our submission to the Commission particularly on pages 3 and 7.

Equitable transition

13. Do you agree with the objectives for an Equitable Transitions Strategy as set out by the Climate Change Commission? What additional objectives should be included?

Yes.

14. What additional measures are needed to give effect to the objectives noted by the Climate Change Commission, and any other objectives that you think should be included in an Equitable Transitions Strategy?

We support the development of a strategy. Presumably this process will identify the scale of the challenge and what measures are then needed.

As per <u>our submission</u> to the Climate Commission (see page7) we support localised transition planning and are glad to see that included (at a high level) here.

We are concerned, however, by the lack of progress by government in providing detail of what this might look like.

15. What models and approaches should be used in developing an Equitable Transitions Strategy to ensure that it incorporates and effectively responds to the perspectives and priorities of different groups?

Please see further comments in our submission to the Climate commission, specifically pages 7-8

16. How can Government further support households (particularly low-income households) to reduce their emissions footprint?

Please see further comments in our submission to the Climate commission, specifically pages 7-8

17. How can Government further support workers at threat of displacement to develop new skills and find good jobs with minimal disruption?

Please see further comments in our submission to the Climate commission, specifically pages 7-8

18. What additional resources, tools and information are needed to support community transition planning?

Please see further comments in our submission to the Climate commission, specifically pages 7-8

19. How could the uptake of low-emissions business models and production methods be best encouraged?

Please see further comments in our submission to the Climate commission, specifically pages 7-8

20. Is there anything else you wish to share in relation to making an equitable transition?

The ERP should clarify the ongoing role of the Just Transitions Unit, which does not appear to mentioned in this document.

Please see further comments in our submission to the Climate commission, specifically pages 7-8

Government accountability and coordination

21. In addition to the Climate Change Commission monitoring and reporting on progress, what other measures are needed to ensure government is held accountable?

We would recommend attaching delivery dates to various measures in the ERP so the public and Ministers can ensure accountability for delivery. This should be done for initiatives at both the implementation or investigation stage. There is a risk that without a commitment to deliver it by a specific date much of the work will be left to the final year of the five-year budget.

We agree that Ministries will need much greater increased modelling capability to understand the impact of various policies. These results should be progressive input into the ERP so that the public can more easily hold government to account on the sufficiency of its plan.

22. How can new ways of working together, like mission-oriented innovation, help meet our ambitious goals for a fair and inclusive society and a productive, sustainable and climate resilient economy?

No comment

23. Is there anything else you wish to share in relation to government accountability and coordination?

Accountability - It would be useful if the final Emissions Reduction Plan included a table of the Climate Change Commissions advice with the government's response, to enable transparency as to whether the government has taken on board the advice or proposed alternative policy settings.

Finance

24. What are the main barriers or gaps that affect the flow of private capital into low emissions investment in Aotearoa?

No comment

25. What constraints have Māori and Māori collectives experienced in accessing finance for climate change response activities?

No comment

26. What else should the Government prioritise in directing public and private finance into lowemissions investment and activity?

No comment

27. Is there anything else you wish to share in relation to funding and financing?

The resource and funding constraints on local government need to be resolved so local councils (particularly those that are smaller and less well resourced) can take a more active role in encouraging, promoting, and supporting local actions in their communities, a role they are ideally placed to fulfil due to their strong local relationships. This requires central government to provide new funding mechanisms so local communities can act on climate change. This could include new grant funding, congestion charging, and value uplift capture tools.

Emissions pricing

28. Do you have sufficient information on future emissions price paths to inform your investment decisions?

Yes.

29. What emissions price are you factoring into your investment decisions?

For transport we use the following from Waka Kotahi. This appears to be broadly aligned with forecast increase in the price of NZUs.

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3. BENEFITS > 3.5 IMPACT OF NOISE AND VIBRATION ON HEALTH

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Low	\$61	\$63	\$64	\$66	\$67	\$69	\$70	\$71	\$73	\$74
High	\$122	\$125	\$128	\$131	\$134	\$137	\$140	\$143	\$146	\$149
Year	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Low	\$76	\$78	\$80	\$81	\$83	\$85	\$87	\$89	\$91	\$93
High	\$152	\$156	\$159	\$163	\$166	\$170	\$174	\$178	\$182	\$186
Year	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Low	\$95	\$97	\$99	\$102	\$104	\$106	\$109	\$111	\$114	\$116
High	\$190	\$195	\$199	\$203	\$208	\$213	\$217	\$222	\$227	\$232

Table 11: Recommended shadow price of carbon (NZ\$2020 per tonne of CO₂ equivalent)

30. Do you agree the treatment of forestry in the NZ ETS should not result in a delay, or reduction of effort, in reducing gross emissions in other sectors of the economy?

Yes, the focus needs to be on reducing gross emissions first, with forestry considered the back-up plan for prohibitively expensive marginal abatement costs.

31. What are your views on the options presented above to constrain forestry inside the NZ ETS? What does the Government need to consider when assessing options? What unintended consequences do we need to consider to ensure we do not unnecessarily restrict forest planting?

No comment

32. Are there any other views you wish to share in relation to emissions pricing? Please see our comments on emissions pricing in our submission to the <u>Climate</u> <u>Commission</u>, specifically page 16.

Planning

33. In addition to resource management reform, what changes should we prioritise to ensure our planning system enables emissions reductions across sectors? This could include partnerships, emissions impact quantification for planning decisions, improving data and evidence, expectations for crown entities, enabling local government to make decisions to reduce emissions. It would be useful if government could provide analysis of the potential effects on emissions of the RMA (enabling more housing) Amendment Bill.

34. What more do we need to do to promote urban intensification, support low-emissions land uses and concentrate intensification around public transport and walkable neighbourhoods?

Please refer to the comments we made in our submission to the <u>Climate Commission</u>, specifically pages 12 and 13.

35. Are there any other views you wish to share in relation to planning?

Please refer to the comments we made in our submission to the <u>Climate Commission</u>, specifically pages 12 and 13.

Research, science, and innovation

36. What are the big challenges, particularly around technology, that a mission-based approach could help solve?

No comment

37. How can the research, science and innovation system better support sectors such as energy, waste or hard-to-abate industries?

In terms of waste, it would be useful if there was accessible training, upskilling and capacity development to improve multi-sector capacity to measure and report on carbon emissions within the construction sector.

Waste reduction also has the potential to be supported by the provision of funding for pilot schemes to trial new technologies for reducing carbon – particularly related to waste as this remains relatively unexplored in New Zealand.

38. What opportunities are there in areas where Aotearoa has a unique global advantage in lowemissions abatement?

No comment

39. How can Aotearoa grow frontier firms to have an impact on the global green economy? Are there additional requirements needed to ensure the growth of Māori frontier firms? How can we best support and learn from mātauranga Māori in the science and innovation systems, to lower emissions?

No comment

40. What are the opportunities for innovation that could generate the greatest reduction in emissions? What emissions reduction could we expect from these innovations, and how could we quantify it?

No comment

41. Are there any other views you wish to share in relation to research, science and innovation? No comment

Behaviour change – empowering action

42. What information, tools or forums would encourage you to take greater action on climate change? No comment 43. What messages and/or sources of information would you trust to inform you on the need and benefits of reducing your individual and/or your businesses emissions? No comment

44. Are there other views you wish to share in relation to behaviour change? Please see comments on behaviour change in page 15 of our <u>submission to the climate change</u> <u>commission</u>.

Circular economy

47. Recognising our strengths, challenges, and opportunities, what do you think our circular economy could look like in 2030, 2040, and 2050, and what do we need to do to get there? Please see comments on the circular economy in page 14 of our submission to the climate change commission.

46. How would you define the bioeconomy and what should be in scope of a bioeconomy agenda? What opportunities do you see in the bioeconomy for Aotearoa?

Please see comments on the circular economy in page 14 of our submission to the climate change commission.

47. What should a circular economy strategy for Aotearoa include? Do you agree the bioeconomy should be included within a circular economy strategy?

Please see comments on the circular economy in page 14 of our submission to the climate change commission.

48. What are your views of the potential proposals we have outlined? What work could we progress or start immediately on a circular economy and/or bioeconomy before drawing up a comprehensive strategy?

Please see comments on the circular economy in page 14 of our submission to the climate change commission.

49. What do you see as the main barriers to taking a circular approach, or expanding the bioeconomy in Aotearoa? Transitioning to a low-emissions and climate-resilient future 53

Please see comments on the circular economy in page 14 of our submission to the climate change commission.

50. The Commission notes the need for cross-sector regulations and investments that would help us move to a more circular economy. Which regulations and investments should we prioritise (and why)?

Please see comments on the circular economy in page 14 of our submission to the climate change commission.

51. Are there any other views you wish to share in relation to a circular economy and/or bioeconomy?

Please see comments on the circular economy in page 14 of our <u>submission to the climate change</u> <u>commission</u>.

Transport

52. Do you support the target to reduce VKT by cars and light vehicles by 20 per cent by 2035 through providing better travel options, particularly in our largest cities, and associated actions?

We strongly support the inclusion of a target to reduce VKT. Unlike a mode shift target this will help focus agencies on absolute emission reductions rather than relative emission reductions. We question why a target of 20 percent was chosen and why the Ministry says this aligns with the Climate Commissions' proposed pathway for transport emissions. The Ministry of Transport's analysis earlier this year said a VKT reduction of 39% percent by 2035 was needed to achieve the Commissions' emission reduction pathway of 47% for transport (see page 110). In this discussion document it says the Commission only proposes an emissions reduction of 41% for transport. This is confusing.

Given the 50+ year lifespan of transport infrastructure we recommend including a longer-term 2050 VKT target. The Ministry of Transport identified a reduction of 57% by 2050 as necessary.

53. Do you support the target to make 30% of the light vehicle fleet zero-emissions vehicles by 2035, and the associated actions?

Yes and we support the proposed actions. However, it's not clear to us how these actions will achieve this target or whether this target is achievable with supply constraints in the EV market. The <u>Ministry's analysis</u> (see page 106 and 110) suggests that even by relaxing assumptions around the supply constraint on electric vehicles that would only get you to 27% uptake by 2035. It is important that these targets are backed by policies that can achieved and are believable. If this target is not achievable due to supply constraints this would suggest the VKT reduction target needs to be more realistic (I.e. higher).

The final ERP would benefit from explaining how the government plans to find additional EV supply and generate additional demand beyond modelled policies. In the first instance we recommend additional demand could be generated by dialling up the settings of the Clean Car policies.

We support the proposed e-bike subsidy scheme but recommend this be made universally available in line with subsidies for electric cars. During the transition away from high levels of car dependence the price of an e-bike will remain prohibitive for both low- and middleincome households. While an e-bike is cheap relative to a car but most people will initially buy ebikes to supplement car use so it will be perceived as a significant additional expense.

54. Do you support the target to reduce emissions from freight transport by 25 per cent by 2035, and the associated actions?

We support an emissions reduction target for freight. It is difficult to tell from the information provided whether this is the right level to set the target.

We support the actions in principle but would like to see the government being more pragmatic about how much investment is needed to achieve this outcome. The level of investment in the current Rail Plan, for example, is focused on maintaining the asset, not achieving a significant step change in mode shift.

55. Do you support the target to reduce the emissions intensity of transport fuel by 15 per cent by 2035, and the associated actions?

56. The Climate Change Commission has recommended setting a time limit on light vehicles with internal combustion engines entering, being manufactured, or assembled in Aotearoa as early as 2030. Do you support this change, and if so, when and how do you think it should take effect?

This question has been consulted on several times, and our position is still yes, and the end date should be 2030 (or earlier). A car bought in 2030 is likely to be on the road for around 20 years, meaning it will still be around to burn fossil fuels past 2050. Legislating an end date to the importation of fossil fuel cars in 2030 will provide a clear trajectory for the uptake of electric vehicles and reduce dependence on vehicles generally. By signalling this clearly eight years out it gives importers, councils, and business the necessary time to plan for this eventuality.

57. Are there any other views you wish to share in relation to transport?

Please refer to all the comments we previously made in our <u>submission to the Climate</u> <u>Commission</u> (pages 7-11) and in our submission on the Ministry of Transport's Hikina te Kohupara discussion <u>document</u> and our submission on <u>the congestion question</u>.

In addition, we would like to note that the GPS on Land Transport, the National Land Transport Programme, and the NZ Upgrade programme do not align with the direction set out in this discussion document. They likely drive emissions in the opposite direction. We recommend amending this before the end of 2022 to avoid undermining the national ERP.

Finally, we support the Aotearoa Collective for Public Transport Equity's <u>"Free Fares" campaign</u> which would make public transport free for tertiary students, Community Service Card holders and under 25s. Only central government is currently in a position to be able to provide the funding to support such an initiative. We also support the call from Greater Wellington Regional Council to increase Financial Assistance Rates for transport investment that enables emission reductions.

Energy and industry p.81

58. In your view, what are the key priorities, challenges and opportunities that an energy strategy must address to enable a successful and equitable transition of the energy system?

No comment

59. What areas require clear signalling to set a pathway for transition? Setting targets for the energy system

No comment

60. What level of ambition would you like to see Government adopt, as we consider the Commission's proposal for a renewable energy target? Phasing out fossil gas while maintaining consumer wellbeing and security of supply

No comment

61. What are your views on the outcomes, scope, measures to manage distributional impacts, timeframes and approach that should be considered to develop a plan for managing the phase out of fossil gas? Decarbonising the industry sector

Yes

No comment

62. How can work underway to decarbonise the industrial sector be brought together, and how would this make it easier to meet emissions budgets and ensure an equitable transition?

No comment

63. Are there any issues, challenges and opportunities for decarbonising the industrial sector that the Government should consider, that are not covered by existing work or the Commission's recommendations? Addressing current data gaps on New Zealand's energy use and associated emissions through an Energy and Emissions Reporting scheme

No comment

64. In your view, should the definition of a large energy user for the purposes of the proposed Energy and Emissions Reporting scheme include commercial and transport companies that meet a specified threshold?

No comment

65. We have identified a proposed threshold of 1 kt CO2e for large stationary energy users including commercial entities. In your view, is this proposed threshold reasonable and aligned with the Government's intention to meet emissions budgets and ensure an equitable transition?

No comment

66. In your view, what is an appropriate threshold for other large energy users such as transport companies?

No comment

67. Are there other issues, challenges or opportunities arising from including commercial and transport companies in the definition of large energy users for the purposes of the proposed Energy and Emissions Reporting scheme that the Government should consider? Supporting evidence on fleet size and characteristics is welcomed. Supporting development and use of low-emissions fuels

No comment

68. What level of support could or should Government provide for development of low emissions fuels, including bioenergy and hydrogen resources, to support decarbonisation of industrial heat, electricity and transport?

No comment

69. Are there any other views you wish to share in relation to energy?

Please refer to our comment on energy policy in <u>our submission to the Climate Change</u> <u>Commission</u> (see page 11) In addition to that comment, we recommend government consider providing support to SME commercial/industrial businesses wanting to decarbonise through fuel switching that don't meet the GIDI or ETA criteria. We frequently received feedback that the strict criteria of these initiatives favour larger businesses and over smaller businesses with less access to capital to manage this transition.

We also recommend that government consider regulatory intervention and/or providing funding to increases the capacity of distribution networks to manage the increased demand on electricity that is associated with meeting the targets in this discussion document. In Wellington parts of our grid are already at capacity. This is a barrier transitioning to electrically powered heating and transport in the capital.

Building and construction – p.90

70. The Commission recommended the Government improve the energy efficiency of buildings by introducing mandatory participation in energy performance programmes for existing commercial and public buildings. What are your views on this?

We strongly support this work and have previously submitted on the draft proposals consulted on by MBIE.

71. What could the Government do to help the building and construction sector reduce emissions from other sectors, such as energy, industry, transport and waste?

Develop a nationally standardised format for carbon accounting and reporting for construction and demolition project waste, which can applied across all sectors.

Provide accessible training, upskilling and capacity development to improve multi-sector capacity to measure and report on carbon emissions within the construction sector.

Provide funding for pilot schemes to trial new technologies for reducing carbon – particularly related to waste as this remains relatively unexplored in New Zealand.

Regulatory (Building Act/Code) amendments, to remove barriers to the reuse of construction materials that restrict the reuse of construction materials, subject to appropriate national standards being established to ensure product safety and appropriate product use.

Regulatory (Waste Minimisation Act) amendments, to clarify Council responsibilities to require Construction and Demolition (C&D) Waste Plans, and relatedly, to establish appropriate enforcement powers that enable the Council to readily enforce such plans. We note that Wellington City Council already requires a C&D waste plan to be lodged for any construction project valued over \$2million. However, in practice, we are unable to enforce this planning requirement. One way to address this, would provide practical TA C&D Waste Plan enforcement powers within the Waste Minimisation Act, or to amend the Building Code to allow the Building Consent to be placed on hold subject to C&D Waste Plan approval.

72. The Building for Climate Change programme proposes capping the total emissions from buildings. The caps are anticipated to reduce demand for fossil fuels over time, while allowing flexibility and time for the possibility of low-emissions alternatives. Subsequently, the Commission recommended the Government set a date to end the expansion of fossil gas pipeline infrastructure (recommendation 20.8a). What are your views on setting a date to end new fossil gas connections in all buildings (for example, by 2025) and for eliminating fossil gas in all buildings (for example, by

2050)? How could Government best support people, communities and businesses to reduce demand for fossil fuels in buildings?

We support a cap on emissions, and an end date to new gas connections by at least 2025 as well as and end date to eliminating fossil fuels from buildings of 2050. Alongside phasing out fossil gas alternative technology needs to be incentivised and funded similar to EECA Home insulation to encourage and facilitate installation. A rising fee on natural gas could also be used to subsidise clean energy sources and incentivise this transition to fossil fuel free buildings.

73. The Government is developing options for reducing fossil fuel use in industry, as outlined in the Energy and industry section. What are your views on the best way to address the use of fossil fuels (for example, coal, fossil gas and LPG) in boilers used for space and water heating in commercial buildings?

No comment

74. Do you believe that the Government's policies and proposed actions to reduce building related emissions will adversely affect any particular people or groups? If so, what actions or policies could help reduce any adverse impacts?

No comment

75. How could the Government ensure the needs and aspirations of Māori and iwi are effectively recognised, understood and considered within the Building for Climate Change programme?

No comment

76. Do you support the proposed behaviour change activity focusing on two key groups: consumers and industry (including building product producers and building sector tradespeople)? What should the Government take into account when seeking to raise awareness of low-emissions buildings in these groups?

No comment

77. Are there any key areas in the building and construction sector where you think that a contestable fund could help drive low-emissions innovation and encourage, or amplify, emissions reduction opportunities? Examples could include building design, product innovation, building methodologies or other?

In 1994 the Building Act replaced a very prescriptive approach to regulation with a performancebased code. This meant that the responsibility (and liability) for certifying that building work is compliant with the Act fell to local authorities. The constant challenge for councils is to gauge whether new products, techniques, or applications will comply with performance-based standards given we will ultimately be held liable should the certification subsequently prove to be lacking or invalid. This is particularly relevant given the recent push for importation of prefabricated building products (and other building innovations).

A more balanced approach to risk sharing could reduce costs and improve the speed of determining compliance with the building code. Failure to do so will likely lead to increased costs to customers as councils look to mitigate financial risks by passing on the cost of those risks.

78. The Ministry of Business, Innovation and Employment (MBIE) is considering a range of initiatives and incentives to reduce construction waste and increase reuse, repurposing and recycling of

materials. Are there any options not specified in this document that you believe should be considered?

To allow for reuse and repurposing of building components litigation and consenting issues need to be resolved as these currently make it near impossible to repurpose used building components back into a new build whilst meeting required legislation.

With regards to building waste/demolition there is no incentive in Wellington (as an example) to deconstruct a building allowing for components to be recycled as it is cheaper to send to bulk landfill unseparated.

79. What should the Government take into account in exploring how to encourage low emissions buildings and retrofits (including reducing embodied emissions), such as through financial and other incentives?

We support MBIE's building for climate change work programme including the proposal to set mandatory reporting and measurement requirement on new-build whole-of life carbon emissions (including construction waste) and set minimum standards for operational efficiency (i.e. energy efficiency, water use etc).

WCC are about to begin a piece of work looking at how it can apply similar standards to the new build programme horizon.

You can find our views on building energy on pages 11 and 12 of our submission.

• You can find the projects that we have underway to incentive low emission buildings and retrofits in our Te Atakura <u>2021 Update</u> on pages 15 and 16. 80. What should the Government take into account in seeking to coordinate and support workforce transformation, to ensure the sector has the right workforce at the right time?

No comment

81. Our future vision for Aotearoa includes a place where all New Zealanders have a warm, dry, safe and durable home to live in. How can we ensure that all New Zealanders benefit from improved thermal performance standards for our buildings?

There is an opportunity for Government to lead the way given that we already have a performancebased Building Code. Changes to H1 are an opportunity presenting itself. Pared right back we should be considering how and why compare the way we do to international standards. That we have yet to increase the minimum insulation to a level comparable with other parts of the world with similar climates means that we should be considering this at as a minimum change with going further than international standard the goal. This would put New Zealand's minimum insulation levels ahead of other parts of the world with similar climates and make us a world leader in this regard.

82. Are there any other views you wish to share on the role of the building and construction sector in the first emissions reduction plan?

We have answered many of these questions before in our submission to the Climate Commission. You can find our views on building energy on pages 11 and 12 <u>of our submission</u>.

Agriculture

83. How could the Government better support and target farm advisory and extension services to support farmers and growers to reduce their emissions? a. How could the Government support the specific needs of Māori-collective landowners?

No comment

84. What could the Government do to encourage uptake of on-farm mitigation practices, ahead of implementing a pricing mechanism for agricultural emissions?

No comment

85. What research and development on mitigations should Government and the sector be supporting?

No comment

86. How could the Government help industry and Māori agribusinesses show their environmental credentials for low-emissions food and fibre products to international customers?

No comment

87. How could the Government help reduce barriers to changing land use to lower emissions farming systems and products? What tools and information would be most useful to support decision-making on land use?

No comment

88. Are there any other views you wish to share in relation to agriculture?

No comment

Waste

89. The Commission's recommended emissions reduction target for the waste sector significantly increased in its final advice. Do you support the target to reduce waste biogenic methane emissions by 40 per cent by 2035?

Yes

90. Do you support more funding for education and behaviour change initiatives to help households, communities and businesses reduce their organic waste (for example, food, cardboard, timber)?

Yes, in principle. However, we would need to consider both what is being funded, as well as the conditions of such funding, to ensure that it allows the autonomy necessary to enable Council's to address local level issues and context specific nuances. We also recognise that education and behaviour change initiatives will not, alone, be adequate in achieving the desired organic waste outcomes.

91. What other policies would support households, communities, and businesses to manage the impacts of higher waste disposal costs?

We would find the following useful:

• The Ministry to provide clarity on what will be considered 'appropriate use' of Waste Levy expenditure, and relatedly request the opportunity to provide input on this.

- Central Government to fund or subsidise organic waste kerbside collection services if an organic waste disposal ban is put in place for landfills.
- Central Government to provide regulatory clarity on the national-level significance of largescale commercial organic waste processing facilities and note the associated need for a streamlined approvals process for new large-scale commercial organic processing facilities.

92. Would you support a proposal to ban the disposal of food, green and paper waste at landfills for all households and businesses by 1 January 2030, if there were alternative ways to recycle this waste instead?

Subject to appropriate diversion facilities being locally available, the establishment of a new organic waste ban to landfill has the potential to align with the Council's Waste Minimisation Roadmap, which seeks to reduce the whole of life carbon impacts from waste. We would, nevertheless, be interested in exploring this concept further as we recognise the need for appropriate enforcement mechanisms to be in place to effectively support such a ban. Relatedly, we would like to understand the consequences of non-compliance and the potential liabilities for landfills? For example, should such a ban come into effect, if unbeknown to the landfill owner or operator, a private commercial operator disposes organic waste into a landfill, who is liable and responsible for this non-compliance? We further recognise that in some instances, potentially divertible material (e.g. paper waste) will be contaminated and will be unsuitable for diversion. In such instances, how would the ban apply?

Please provide detail on the compliance measures that would support such an organic disposal ban, including the relevant regulatory powers/provisions, and operational implications for local Councils. 93. Would you support a proposal to ban all organic materials going to landfills that are unsuitable for capturing methane gas?

Yes, however, this would ultimately depend on the central govt support to put in place adequate alternatives for residents.

.94. Do you support a potential requirement to install landfill gas (LFG) capture systems at landfill sites that are suitable?

Yes, in principle, for active landfills. WCC's southern land fill already has a gas capture system installed. For clarity, our assumption is that such a requirement would apply to landfills still accepting organics and not apply to closed landfills, or historic areas in existing landfills. However, if this is not the case, and LFG capture systems were required within closed landfill sites, then it will be necessary to develop a dispensation process, or other relevant process, that will consider and assess issues of emissions risk and cost effectiveness for the site in question.

95. Would you support a more standardised approach to collection systems for households and businesses, which prioritises separating recyclables such as fibre (paper and cardboard) and food and garden waste?

We are interested in understanding more about the concept. We have some concerns about the standardisation of kerbside service levels, as such standardisation may ignore the geographical and contextual differences across territorial authorities. For example, within Wellington City, not all properties have access to a kerbside and therefore not all properties have an adequate or safe space to locate a single or multiple waste receptacles for kerbside collection.

Should the standardisation of kerbside servicing nevertheless be proposed, we would require clarity on who pays for the transition into the new collections system if it is different to what is currently in place.

96. Do you think transfer stations should be required to separate and recycle materials, rather than sending them to landfill?

We are interested in this idea, however, we note the potential need for central government funding to redesign transfer stations to allow for such separation.

97. Do you think the proposals outlined in this document should also extend to farm dumps?

We support a pragmatic approach to improving the farm dump situation in general, particularly in relation to hazardous waste management. While we do not have a significant amount of rural land within our territorial authority boundaries, we would nevertheless be interested to understand of the emission-related impacts of farms dumps.

98. Do you have any alternative ideas on how we can manage emissions from farm dumps, and waste production on farms?

A practical approach could include increasing the prioritisation of farm dumps as an issue for Regional Council attention.

99. What other options could significantly reduce landfill waste emissions across Aotearoa?

Currently, food waste disposed of through insinkerators ends up in the Wellington landfill, contributing to methane emissions. If the amount of organic waste going to landfill via kerbside waste was limited or banned, there is a risk this would incentivise disposal via insinkerator. It could therefore make sense to consider phasing out insinkerators in new builds in tandem with other organic waste controls. Guidance and enforcement powers for local councils would be necessary to achieve this. Consideration would need to be given to the final destination of insinkerator waste in the area, as well as other organic waste controls in place.

F-gases

100. Do you think it would be possible to phase down the bulk import of hydrofluorocarbons (HFCs) more quickly than under the existing Kigali Amendment timetable, or not?

No comment

101. One proposal is to extend the import phase down to finished products containing high global warming potential HFCs. What impact would this have on you or your business?

No comment

102. What are your views on restricting the import or sale of finished products that contain highglobal warming potential HFCs, where alternatives are available? Transitioning to a low-emissions and climate-resilient future

No comment

103. What are your views on utilising lower global warming potential refrigerants in servicing existing equipment?

No comment

104. Do you have any thoughts on alternatives to HFC refrigerants Aotearoa should utilise (eg, hydrofluoroolefins or natural refrigerants)?

No comment

105. Can you suggest ways to reduce refrigerant emissions, in combination with other aspects of heating and cooling design, such as energy efficiency and building design?

No comment

Forestry

106. Do you think we should look to forestry to provide a buffer in case other sectors of the economy under-deliver reductions, or to increase the ambition of our future international commitments?

No

107. What do you think the Government could do to support new employment and enable employment transitions in rural communities affected by land-use change into forestry?

No comment

108. What's needed to make it more economically viable to establish and maintain native forest through planting or regeneration on private land?

No comment

109. What kinds of forests and forestry systems, for example long-rotation alternative exotic species, continuous canopy harvest, exotic to native transition, should the Government encourage and why?

No comment

a. Do you think limits are needed, for example, on different permanent exotic forest systems, and their location or management? Why or why not? No comment

b. What policies are needed to seize the opportunities associated with forestry while managing any negative impacts?

No comment

110. If we used more wood and wood residues from our forests to replace high-emitting products and energy sources, would you support more afforestation? Why or why not?

No comment

111. What role do you think should be played by: a. central and local governments in influencing the location and scale of afforestation through policies such as the resource management system, ETS and investment b. the private sector in influencing the location and scale of afforestation? Please provide reasons for your answer.

No comment

112. Pests are a risk to carbon sequestration and storage in new, regenerating and existing forest. How could the Government support pest control/management?

No comment

113. From an iwi/Māori perspective, which issues and potential policies are a priority and why, and is anything critical missing?

No comment

114. Are there any other views you wish to share in relation to forestry?

Please see our comments in <u>our submission the climate commission</u>. See from page 6.