

Submissions pack:

2023 Draft advice to inform the strategic direction of the Government's second emissions reduction plan

April 2023

Overview

He Pou a Rangi Climate Change Commission is consulting on our draft advice to inform the strategic direction of the Government's second emissions reduction plan.

This consultation will run from **26 April 2023** until **20 June 2023**.

We are conducting an online consultation process through our online consultation platform <<https://haveyoursay.climatecommission.govt.nz/comms-and-engagement/erp2>>. Using this platform, respondents can make a submission either by answering questions in an online survey or by uploading a document.

This guide is intended to provide information for people who want to send us their submission in the form of a document.

Sections in this guide:

- **The context for this consultation**
- **How to make a submission**
- **About our draft advice**

The context for this consultation

The Climate Change Response Act 2002 (the Act) puts into law Aotearoa New Zealand's 2050 targets, as well as the process for reaching it. Under the Act, the Government sets emissions budgets – which confirm the total allowable emissions across a five-year period – and emissions reduction plans, which outline the actions it will take to achieve those budgets <<https://environment.govt.nz/what-government-is-doing/areas-of-work/climate-change/emissions-reduction-plan/>>.

Our role is to provide independent, evidence-based advice on the direction of policy for these plans, taking a system-wide view. We provided advice for the Government's first emissions reduction plan in our 2021 report *Ināia tonu nei: a low emissions future for Aotearoa* <<https://www.climatecommission.govt.nz/our-work/advice-to-government-topic/inaia-tonu-nei-a-low-emissions-future-for-aotearoa/>>.

We are now preparing to provide advice to the Government on the direction of policy for its second emissions reduction plan, which will cover the second emissions budget period from 2026-2030. A brief summary of this draft advice, including our proposed recommendations, can be found below. To view the draft advice in full, please visit <<https://www.climatecommission.govt.nz/erp2/>>.

We are now asking for feedback on our draft advice. This consultation will run from 26 April 2023 until 20 June 2023. Our final advice, which will reflect the feedback we receive through the engagement process, is due to be delivered to the Minister of Climate Change by 31 December 2023.

It is important that our advice reflects what the people of Aotearoa New Zealand are experiencing and care about. The transition to a low emissions and climate resilient society brings a mix of opportunities, benefits, challenges, and costs. The effects – good and bad – will be felt by all of us.

We are therefore looking for evidence, perspectives, insights, and other information that tests and improves the advice we give to the Government. We will be reviewing and considering every piece of feedback we receive. We will use it, where appropriate, to adjust and refine our advice, and add any high-quality, credible evidence into the evidence base the Commission considers.

We may also publish your submission (in part or in full) on our main website <<https://www.climatecommission.govt.nz/>> or on our consultation site <<https://haveyoursay.climatecommission.govt.nz/>>.

How to make a submission

Once you have read our draft advice and feel ready to provide your feedback, there are multiple ways to send us your submission.

You can make a submission via our online engagement platform, which you can access at <https://haveyoursay.climatecommission.govt.nz/comms-and-engagement/erp2/>. Using this platform, you can provide your feedback by answering questions in an online survey.

Alternatively, this is also where you can upload your submission as a file, such as a PDF, Word document, or spreadsheet.

We welcome submissions addressing the following areas:

- **Feedback on the draft advice as a whole** (whether for a specific chapter, or for the entire document);
- **Feedback on our approach** to developing the draft advice, including our policy and prioritisation frameworks;
- **Feedback on the proposed recommendations** in this draft advice. More information about our proposed recommendations is available in the next section of this document;
- **Identifying any aspects or issues not addressed in the draft advice** that you think we should consider when preparing our final advice
- **Identifying any additional evidence or reference material** that you think we should consider when preparing our final advice.

If you have questions about this consultation, please email us at haveyoursay@climatecommission.govt.nz.

You can also reach us by post at:

Consultation: ERP2
Climate Change Commission
PO Box 24448
Wellington 6142



PLEASE NOTE: Wherever possible, we ask that you send your submission to us by using our online engagement platform. This allows us to keep a record of your contact details, provide you with important privacy information, and ask your permission to use and publish your submission.

*If you cannot submit your feedback using this platform and wish to send it by email or post, **please complete the contact and consent form attached to this document.** When sending us your submission, please include this completed form as a separate file.*

If you do not provide this information, we cannot guarantee that your submission will be accepted.

About our draft advice to inform the strategic direction of the Government's second emissions reduction plan

This section provides a high-level overview of our draft advice, its structure and its proposed recommendations. The full report and supporting documents are available at <https://www.climatecommission.govt.nz/erp2>.

Actions underway as part of the first emissions reduction plan and actions taken by households, businesses, and communities are all positive signs that the country is committed to achieving a low emissions future.

Aotearoa New Zealand now needs to build on that momentum to broaden, strengthen, and accelerate action to meet its climate change objectives. This draft report contains proposed recommendations which are the urgent, critical actions required to achieve the second emissions budget and ensure Aotearoa New Zealand is on track to achieve the third budget (2031-2035) and beyond.

Our draft report is divided into three parts:

- Fundamentals for success
- Creating low emission options
- Enabling system transformation

Each part contains chapters focused on specific areas of action required, including the context and rationale for our proposed recommendations. Our prioritisation framework has not identified critical risks to achieving the second emissions budget in every chapter. However, action in those areas is still important. The chapters without recommendations contain advice on the important activities required to create the conditions for future outcomes and to achieve emissions budgets and targets in a way that complies with the Act.

Part 1: Fundamentals for success

The first part of our draft advice relates to the fundamental elements of success that underpin Aotearoa New Zealand's climate action. Getting these fundamentals right is critical for meeting our climate objectives, as they will lay the foundation for effective action across all emissions budget periods.

Recommendations proposed in Part 1

We propose that in the emissions reduction plan for the second budget period the Government:

1. Commit to a specific level of gross emissions for the second and third emissions budgets, no less ambitious than 362 MtCO₂e and 322 MtCO₂e respectively, and ensure that its policy choices align with delivering this outcome.
2. Communicate indicative levels of gross emissions and carbon dioxide removals from forestry out to 2050 and beyond to guide policy development.

We propose that the emissions reduction plan for the second budget period must:

3. Make the emissions pricing system consistent with delivering the specific levels of gross emissions for the second and third emissions budgets, and with the 2050 net zero target, by:

- a. implementing an amended NZ ETS that separates the incentives for gross emissions reductions from those applying to forestry
- b. developing an approach that can provide durable incentives for net carbon dioxide removals by forests through to and beyond 2050.

We propose that the emissions reduction plan for the second budget period must:

- 4. Accelerate Iwi/Māori emissions reductions in conjunction with climate change adaptation initiatives by exploring and implementing a mechanism to allocate resourcing direct to Iwi and increase funding to Māori landowners (Te Ture Whenua entities).
- 5. Ensure Iwi/Māori can drive the integration of mātauranga Māori into policy design, development, and implementation at central and local government level, by delivering sufficient resources to Iwi/Hapū.

We propose that the emissions reduction plan for the second budget period must:

- 6. Enable a fair, inclusive, and equitable transition for New Zealanders by expanding the scope of the Equitable Transitions Strategy to include compounding impacts of climate change and adaptation as well as mitigation.
- 7. Make use of existing mechanisms to manage impacts of climate policies in the interim, rather than delaying climate action.

Part 2: Creating low emissions options

The second section of our draft advice contains specific proposed recommendations for different sectors, all with a part to play in meeting the second emissions budget.

Recommendations proposed in Part 2

We propose that the emissions reduction plan for the second budget period must:

- 8. Enhance advisory and extension services to farmers to enable them to respond to pricing and accelerate the adoption of emissions-efficient practices, appropriate land-use diversification, and emerging technologies to reduce gross emissions. These services should be co-designed and implemented in partnership with industry and Iwi/Māori.
- 9. Advance the agricultural emissions pricing system to:
 - a. enable recognition of a broader range of emissions-reducing practices and technologies
 - b. incentivise gross emissions reductions in line with the 2050 target.

We propose that the emissions reduction plan for the second budget period must:

10. Implement an integrated planning system that builds urban areas upward and mixes uses while incrementally reducing climate risks.

11. Incentivise comprehensive retrofits to deliver healthy, resilient, low emissions buildings.

12. Prohibit the new installation of fossil gas in buildings where there are affordable and technically viable low emissions alternatives in order to safeguard consumers from the costs of locking in new fossil gas infrastructure.

We propose that the emissions reduction plan for the second budget period must:

13. Prioritise and accelerate renewable electricity generation build and ensure electricity distribution networks can support growth and variability of demand and supply.

14. Pursue more widespread process heat decarbonisation and establish mechanisms for other industrial sectors and processes to decarbonise.

We propose that the emissions reduction plan for the second budget period must:

15. Set and implement integrated objectives for the role of forests with respect to emissions mitigation and adaptation, while giving effect to the principles of Te Tiriti o Waitangi/The Treaty of Waitangi.

We propose that the emissions reduction plan for the second budget period must:

16. Simplify planning and increase funding of integrated transport networks that optimise public and active transport. For major population centres, the Government should also complete cycleway networks by 2030 and take steps to complete rapid transport networks by 2035.

17. Rapidly resolve the barriers to scaling up vehicle charging infrastructure.

18. Develop incentives to accelerate the uptake of zero emissions commercial vehicles, including vans, utes, and trucks.

We propose that the emissions reduction plan for the second budget period must:

19. a. Apply regulatory and policy instruments to achieve the optimal use and efficiency of landfill gas capture systems and technologies at all landfills.

19. b. Improve the accuracy and transparency of landfill gas capture data by reviewing and strengthening relevant regulatory and policy tools.

Part 3: Enabling system transformation

This section contains draft advice regarding actions that will support a low emissions system transformation. These include enhancing the research, science, innovation, and technology system, broadening, deepening, and accelerating climate funding and finance, and fostering a more circular economy and sustainable bioeconomy.