

7 June 2018



NEW ZEALAND PRODUCTIVITY COMMISSION  
PO BOX 8036  
THE TERRACE  
WELLINGTON 6143

Tēnā koe,

**Submission to the Low Emissions Economy Draft Report from the Whakatāne District Council**

Thank you for the opportunity to submit to the Low Emissions Economy Draft Report. The Whakatāne District Council (WDC) wishes to make the submission points outlined on the following pages.

We **do not** wish to be heard in support of this submission.

For specific enquiries related to the submission please feel free to contact the Strategic Policy Team at WDC on 07 306 0500 or [StrategicPolicy@whakatane.govt.nz](mailto:StrategicPolicy@whakatane.govt.nz).

Ngā manaakitanga,



Tony Bonne

MAYOR

Questions from Report		
Q	Question	Comment
10.2	With developing technology and aggregation for accounting purposes, is it technically feasible and would it be cost-effective to include small areas of planting (such as riparian planting) within the NZ ETS?	The inclusion of smaller areas of planting would provide a more accurate representation within the NZ ETS. The cost effectiveness of this process would depend on the costs involved to include these areas.
11.1	How could New Zealand signal a commitment to a widespread transition away from fossil-fuel vehicles? For example, should New Zealand explicitly aim to phase out the importing of fossil-fuel vehicles by some specified future date?	<p>Providing incentives for the use of low emission vehicles would be the more sustainable approach to deal with this issue. Funding infrastructure investment for electric vehicles would assist local authorities.</p> <p>In a recent submission to the draft Government Policy Statement on Land Transport, we noted that WDC is looking to proactively support a reduction in transportation emissions, and have been working collaboratively to enhance the electric vehicle charging infrastructure across the Whakatāne District to enable greater uptake of electric vehicles. We support increased Central Government funding towards reducing transport emissions, whether that is through electrical vehicle charging infrastructure, alternative active transport infrastructure, or Central Government Policy that encourages electric vehicle purchase.</p>
12.1	Does decision making under the Resource Management Act 1991 unduly constrain investment in renewable electricity generation, particularly wind and hydro generation? In what ways could the National Policy Statement on Renewable Electricity Generation 2011 be strengthened to give clearer direction to regional, district and unitary councils to make provision for renewable electricity generation in their regional and district plans, regional policy statements and resource management decisions?	The NPS of Renewable Electricity Generation 2011 provides clear direction for policy development that renewable energy is to be encouraged through resource management practice. However, this generally translates to renewable electricity generating activities requiring resource consent rather than being permitted. The NPS could provide greater direction in terms of activity status under the RMA, which could provide an easier pathway for these activities.
16.1	Should the New Zealand Emissions Trading Scheme be extended to cover wastewater treatment plants?	Local governments are already struggling to fund waters infrastructure, especially given the upgrades that will likely be required in order to replace resource consents in the near future. While it is recognised that wastewater ponds are likely to produce significant amounts of methane in particular, the resulting cost of including wastewater treatment plants in the ETS is a concern for us as a territorial authority.

Findings from Report		
F	Finding	Comment
7.2	The Government should seek to achieve a high level of political support and consensus for new climate change legislation, with an aim of enacting legislation that has a strong prospect of policy and legislative durability regardless of the make-up of the government.	The nature and consequences of climate change are long-term, and all levels of society will need to play a role in reducing CO2 emissions. As such, it is imperative that New Zealand's climate change policy and direction can become embedded in society and is not vulnerable to political shifts which would undermine effectiveness.
7.11	The legislative framework for a low-emissions economy should provide for mechanisms for Māori to advise the Government on policy, process, and decisions relating to emissions budgets and the Government's strategy to achieve them.	We agree with this finding. These mechanisms should both encourage meaningful conversation and engagement, and ensure that the legislative framework reflects the outcomes of these discussions.
7.18	Local government will play an important role in any national emissions-reduction strategy, given the responsibilities it has for regulating land use and managing land transport. The development of a government response to the Climate Commission recommendations would be a convenient opportunity to establish new, more effective arrangements for local and central government to work together on issues of common interest.	<p>We agree, and note that much of the discussion in the report is directed to central government.</p> <p>Given the scope of local government's responsibilities (especially relating to infrastructure) and knowledge of opportunities and challenges for local communities 'on the ground,' it is crucial that local government authorities are a key contributor to the development of any national emissions-reduction strategy.</p> <p>The success of efforts to reduce emissions will rely on central government, local government, and communities working together. It is imperative for central government to show strong leadership in this space to enable local government to follow suit with confidence.</p> <p>As noted throughout the report, taking action to reduce emissions will often come at a cost. A strong central and local government direction will provide assurance to all partners that their actions will be supported by others, and that combined efforts will make a difference.</p>
9.2	In New Zealand, low-income households spend a greater proportion of their income on food, transport and household energy. This suggests that emissions pricing may impact more heavily on low-expenditure households. But emissions pricing also leads to price increases for commodities on which households with higher expenditure spend proportionally more.	The report notes that 'a disproportionate burden of a transition to a low-emissions economy is likely to fall on lower-income households' (p19). This is an important consideration for local authorities who are already facing the challenge of balancing rates requirements with the levels of service delivered to our communities.

## General comments

- We support the principle of moving towards a low emission economy.
- It is important to recognise that the outcomes sought by the Low Emissions Economy incentives should not be considered in isolation. There are a number of gains that could be achieved by considering other national objectives, such as water quality.
- Reliance on forestry to achieve low emissions targets is unlikely to achieve long-term low emission objectives. Prioritising a transition to low emission land uses, which also respond to projected climate change, such as horticulture, in combination with forestry, is more likely to achieve long-term low emission objectives.
- We agree with the statement ‘if firms and households are to invest in low-emissions technologies, they need confidence that their returns will not unnecessarily be put at risk’ (p403). We submit that this is equally important for local government and their investments.
- In its discussion of suggested legislative and institutional changes to enable a transition to a low-carbon economy, the report notes that an independent expert advisory body (a Climate Commission) would help to provide the necessary balance of stability and flexibility in the policy landscape. We agree that this would be a valuable tool, but add that it would be important for the Climate Commission to be available to provide guidance at a local government level in addition to central government.
- The adoption of ‘shadow pricing’ (p92) could provide an effective method for local governments to embed emissions-reduction into their decision-making regarding transport, energy, and water infrastructure. We agree with the point noted in Auckland Council’s submission (sub. 97) that a standard figure to apply across the sector would be useful.
- We reiterate the importance of a collaborative approach to a strategy for reducing New Zealand’s carbon emissions. Central government, local government, organisations and individuals must be clear on - and committed to – the direction that New Zealand takes in this space. Whakatāne District Council is a member of COBOP, a collaborative network of local and regional council chief executives, and regional managers of twenty-six central government agencies with Bay of Plenty responsibilities. In February 2018, COBOP’s environmental cluster agreed to focus solely on climate change, in recognition of the far-reaching and long-term impacts climate change will have on our communities, and the benefit that a collaborative approach will have in developing strategies to address it.