

Submission

by

**The Employers and Manufacturers
Association (Northern)**

to

**Steven Bailey
Inquiry Director
NZ Productivity Commission
PO Box 8036
Wellington 6143**

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About the EMA

The EMA has a membership of more than 4000 businesses, from Taupo north to Kaitaia, representing around 40% of the New Zealand workforce.

The EMA provides its members with employment relations advice from industry specialists, a training centre with more than 600 courses and a wide variety of conferences and events to help businesses grow.

The EMA also advocates on behalf of its members to bring change in areas which can make a difference to the day-to-day operation of our members, such as RMA reform, infrastructure development, employment law, skills and education and export growth.

We have a solid reputation as a trusted and respected voice of business in New Zealand, and our presence makes a difference. Therefore, we are constantly called on to speak at conferences, comment in the media and partner or provide advice to Government on matters which impact all employers (such as ACC, health and safety, pay equity).

CONTACT

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Thank you for the opportunity to submit on a document that comprehensively traverses the challenges New Zealand faces in meeting its climate change commitments.

1. Our approach to this topic is a principled one. That is, regardless of any individual view on climate change science, New Zealand is committed to the Paris Accord and therefore must actively comply.
2. The marketplace must prevail, but if future market fails, intervention is required.
3. Business, and by extension New Zealand, must compete and so policy and business development must ensure this occurs.

These principles therefore mean:

- a) The cost of decarbonising (de-GHG) the economy must be borne by the entire population as benefits will be shared.
- b) As the use of carbon credits has been unsuccessful in changing carbon behaviour and, as indeed almost all progress which has been made, has been driven by technological and consumer performance, more imaginative devices must be developed to meet our obligations.
- c) The move to a carbon neutral economy presents the greatest economic development opportunity in a generation and New Zealand must position itself to capitalise on this.

The EMA therefore favours the following:

- Development of a shared vision and strategy which translates into changes in planning laws (RMA, etc), incentivised relevant research and development and limited but targeted penalties for polluters. Indeed, the incentives and penalties should form a zero sum game.
- We do not support an ETS based on trading foreign credits as this shifts the problem elsewhere.

The Commission's report recognises the dominance of agriculture in our economy and the special challenges that creates for emissions reduction. Herein lies the greatest commercial opportunity.

The development of carbon sequestration in livestock and pasture management is one which probably requires direct intervention.

In summary, our position for a carbon neutral future figure needs to be agreed on at the earliest opportunity and should have sovereignty in all subsequent policy setting.

Any incentives, taxes or interventions should favour market based devices and should be mindful of competitiveness and the actions of our trading partners.

Policies must be stress tested for the ability for participants to game the system (such as the ETS) and must provide for monitoring and corrective actions.



Kim Campbell
CHIEF EXECUTIVE

3/10/2017