



## SUBMISSION LOW CARBON ECONOMY 2018

**TO:** Low-emissions economy: Submission on draft report  
Productivity Commission  
Wellington

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- 1 EIANZ is a professional association for environmental practitioners from across Australia and New Zealand. We provide opportunities for professional and academic dialogue across all sectors of the environmental industry. EIANZ was founded in 1987.
- 2 A significant initiative of EIANZ is the Certified Environmental Practitioner (CEnvP) Scheme, which is Australasia's first accreditation scheme designed exclusively for environmental practitioners, and recognises environmental professionals in line with their professional counterparts from engineering, accounting, planning and architecture.
- 3 EIANZ welcomes the opportunity to comment on the consultation document *Low-emissions economy (Draft Report)*.
- 4 Submission prepared by Dr Mark Bellingham on behalf of the New Zealand Chapter of the Environment Institute of Australia and New Zealand
- 5 EIANZ strongly supports the Commission's principles that need to underlie the low-emissions economy to bring about the behavioural and structural changes required in a stable and credible policy environment (Pg.3 – Overview):
  - A strong signal from the Government making a long-term commitment to the transition to a low emissions economy, and providing transparency about future policy intentions to achieve this.
  - Getting emissions pricing right, to send the right signals for investment and mitigation.
  - Creating laws and institutions that support stable policy settings, with clear targets and accountability for action, and that act as a commitment device for future governments to continue the development and implementation of a long-term policy response to climate change.
  - Ensuring other supportive regulations and policies are in place, to address non-price barriers, encourage the transition, and manage serious adverse impacts on lower-income households and affected businesses.

- Harnessing the full potential of innovation through significantly more public resources devoted to supporting research, and the deployment and adoption of low-emissions innovations.
- Supporting investment in low-emissions technology, infrastructure, and other activities, by greater transparency and by mobilising new sources of finance.

## Land Use

What are the advantages and disadvantages of the following options for a point of obligation for agricultural emissions within the NZ ETS?

- 6 Agricultural emissions account for about 40% of New Zealand's Greenhouse Gas Inventory. Although there are costs of bringing agriculture into the Emissions Trading Scheme, these costs are being borne by taxpayers generally and further delays in extending the ETS to agriculture is embedding inefficiencies in agricultural production and exacerbating inequities within the tax system.
- 7 The logical conclusion for bringing agriculture into the ETS is at the full farm level, and staging inclusion by farm area. In that way the larger agricultural enterprises with the greater emissions could come in first and the minimum threshold could be lowered as is practicable. The point of obligation at the processor level could be used for farms beneath the threshold and for all horticulture and cropping farms.
- 8 The horizontal integration of dairying, with beef farms makes it difficult to separate these farming enterprises from each other.
- 9 With developing technology and aggregation for accounting purposes, it is technically feasible to include small areas of planting (such as protected reserves, erosion control and riparian planting) within the NZ ETS for farms within the ETS at the full farm level e.g. Landcorp and a number of large dairy/beef farming enterprises. A number of these larger enterprises make use of GIS to track farm operations, including areas set aside from production for environmental purposes.

## Additional Land Use Issues: Land Use Planning

- 10 Auckland Council and a number of upper North island councils have incentivised biodiversity protection and enhancement on rural land through transferable development rights programmes. This has the potential to provide for additional carbon sequestration through the protection and planting of indigenous forests.
- 11 But the Auckland Unitary Plan has limited new indigenous forest plantings to 15ha per property, preventing the region from benefitting from significant indigenous forest planting (for carbon capture), controlling soil erosion and biodiversity enhancement.
- 12 To optimise the efficiencies around land use change, and to encourage greater sequestering of carbon in forests, EIANZ believes that:

- Upwards growth needs to be incentivised and outwards growth discouraged, in light of the significant population growth that is projected in New Zealand’s metropolitan centres.
- More intensive use of zoned land (e.g. residential and commercial zoned land) needs to be encouraged to avoid the need to build new infrastructure to reach outlying businesses (which would also avoid the emissions that would result from constructing, servicing and maintaining that infrastructure).
- Tree planting, including permanent indigenous forest sinks be encouraged and incentivised on low production and erodible land.
- Amendments to the Resource Management Act to enable councils to take greenhouse gas emissions into account.
- An amendment to the Local Government Act to provide councils with a broader mandate to take into account the impacts of climate change in all decision making.

## **Transport**

- 13 New Zealand needs to signal a commitment to a widespread transition away from fossil-fuel vehicles by explicitly aiming to phase out the importing of fossil-fuel vehicles:
- Greater investment in electrified public transport systems, and thought given to how people could be transported more effectively.
  - Prioritisation of electrifying the main trunk line and exploring options for shifting freight to lower emission modes, such as rail and coastal shipping.
  - Implement rigorous emissions standards on imports of new and used fossil-fuel vehicles. To stop New Zealand being a dumping ground of high-emitting vehicles from other countries that are decarbonising their fleets e.g. Japan.
  - Incentivise the uptake of low-emission heavy vehicles and electric heavy vehicles through Government’s land transport policy.

## **Electricity**

- 14 Decision making under the Resource Management Act 1991 does not appear to unduly constrain investment in renewable electricity generation (solar and wind), but hydro generation is not generally renewable electricity generation, as the river resource being drawn upon is limited and in many cases these ecosystems are threatened.
- 15 Conditions on subdivision consents under the RMA 1991 are being used to undermine the National Policy Statement on Renewable Electricity Generation 2011 where new sites are being required to connect to existing electricity networks where this may be a poor investment for rural areas and individual households. The NPS on Renewable Electricity Generation 2011 needs to 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 for rural and isolated properties.

## **Waste**

- 16 EIANZ have concerns over whether the New Zealand Emissions Trading Scheme be extended to cover wastewater treatment plants and how this might be phased in.
- 17 Almost all large municipal and industrial wastewater treatment plants recover methane for on-site electricity generation. The problem is with small treatment plants where this has not been factored into the original design and Councils are having difficulties treating wastes to acceptable standards at an affordable price for the contributing users. We are unsure whether additional costs from bring particularly municipal wastewater treatment into the ETS would further exacerbate costs and treatment standards might be compromised.

## **Direct regulation and the current statutory framework**

- 18 EIANZ support Local Government NZ's submission regarding the need to re-examine the purpose of the Resource Management (Energy and Climate Change) Act 2004 which amended the Resource Management Act to require local authorities to ignore the effects of greenhouse gas discharges. Councils are taking action to reduce emissions within their organisations and communities and this demonstrates the inadequacy of the current statutory framework.
- 19 This is a matter that would benefit from a joint inquiry by the Productivity Commission and LGNZ, bringing their different perspectives together on this issue.