

Our Ref:



2 October 2017

Productivity Commission

Dear Sir/Madam

**Bay of Plenty Regional Council's submission to Low Emissions Economy – Issues Paper**

Thank you for the opportunity to comment on the above consultation document. The Bay of Plenty Regional Council does not wish to be heard on this submission.

For matters relating to this submission, please contact Kataraina O'Brien (Strategic Engagement Manager) at Kataraina.O'Brien@boprc.govt.nz or 0800 884 881 ext. 9323.

**Our Organisation**

The Bay of Plenty Regional Council is responsible for the sustainable management of resources within the Bay of Plenty region. Our role is determined by Central Government through statutes such as the Local Government Act and the Resource Management Act, and is different from that of territorial authorities (district and city councils). Some of our key roles are:

- Regional planning for land, water quality and air quality;
- Setting environmental management policies for the region;
- Allocation of natural resources;
- Flood control;
- Natural hazard response;
- Soil conservation;
- Pest control / biosecurity;
- Public transport;
- Strategic transport planning;
- Regional economic development; and
- Strategic integration of land use and infrastructure.

**Summary**

We support the general intent of this document. Please find our detailed comments attached. We trust you find them constructive.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Fiona McTavish".

Fiona McTavish

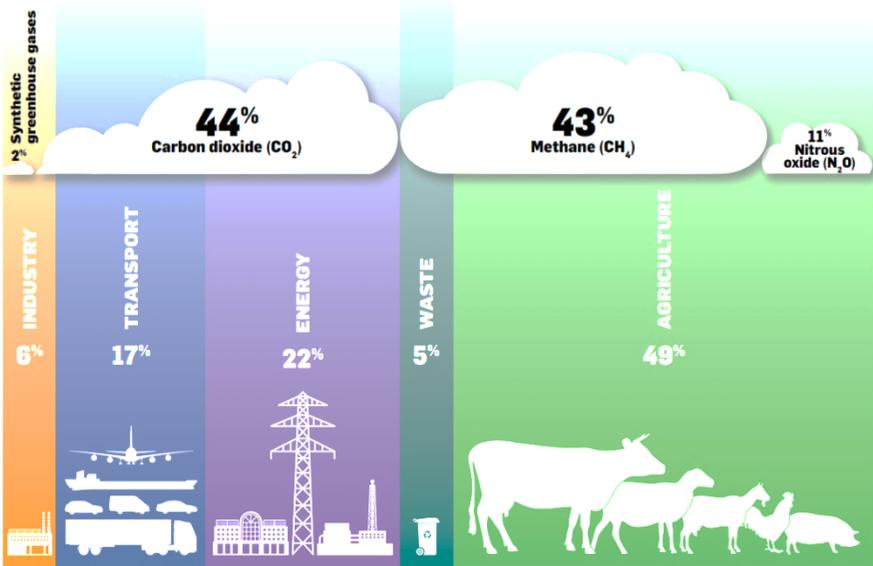
**General Manager Strategy and Science**

**Bay of Plenty Regional Council** 5 Quay Street, P O Box 364, Whakatane, New Zealand

**BAY OF PLENTY REGIONAL COUNCIL'S SUBMISSION TO LOW EMISSIONS ECONOMY – ISSUES PAPER**

<b>Reference</b>	<b>Position</b>	<b>Recommendation</b>
<p>Q2 Chapter 3 of this issues paper mostly looks at ways to reduce emissions directly at their source. What other approaches would help identify opportunities to effectively reduce emissions?</p>	<p>Recognising, encouraging and increasing carbon storage, particularly carbon storage that is not intended for harvesting, would provide opportunities for long-term emission reduction.</p> <p>Initiatives that could provide long-term carbon storages include forestry reserves and vegetation, native bush restoration (protection from invasive plants and animals), and wetland protection and restoration.</p>	<p>Provide better recognition and support for long-term carbon storage.</p>
<p>Q5 What are the issues for government to consider in encouraging alternative low-emissions land uses?</p>	<p>Regenerating indigenous forests are sequestering around 6mt CO<sub>2</sub> per year (MfE, 2017d). Regional councils fund and help indigenous forest regeneration initiatives for biodiversity, and soil and water conservation reasons, which also promotes long-term carbon sinks.</p> <p>Healthy and sustainable native bush provides important long-term carbon sinks. However, because it is already regarded as a carbon sink under the ETS, investment on maintaining the forest condition (such as preventing introduced animals grazing on juvenile trees) is not necessarily recognised under the forest sinks initiatives to date.</p> <p>Incentives for low emission land use production are as important as disincentives for high emission land use. The market to date tends to encourage more intense agricultural land use, given the already well established infrastructures, supply chain, marketing and other social capital.</p>	<p>Provide better recognition and support for the role of forestry/biodiversity reserves for the long-term carbon storage and sequestration.</p>
<p>Q6 What are the main barriers to sequestering carbon in forests in</p>	<p>The main issue with carbon in forests in New Zealand is that most commercial forests in New Zealand are intended to be harvested. Once harvested, the carbon eventually releases back to the atmosphere giving no net gain in terms of storage. Also see the</p>	<p>Provide better recognition and support for long-term carbon storage.</p>

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New Zealand?	response for Question 2.	
Q7 What policies, including adjustments to the New Zealand Emissions Trading Scheme, will encourage more sequestering of carbon in forests?	One way that will encourage more carbon sequestering is to make the NZETS rules more straight forward for small-forest owners, and regenerated native bush and reserves administrators.	Provide better recognition and support for long-term carbon storage in regenerating native bush and wetland environments.
Q11 What are the main opportunities and barriers to reducing emissions from the use of fossil fuels to generate energy in manufacturing?	<p>Enable communities who wish to aspire and achieve a carbon-neutral status, through providing better recognition and acknowledgement of where the renewable energy is generated.</p> <p>To date, carbon footprint calculation for communities does not reflect renewable energy generated within their district. For example geothermally generated electricity is excluded for the accounting of electricity used in the district which looks only at the national grid exit points. The community based carbon footprint calculation does not take into account if a district is generation surplus electricity from renewable sources.</p> <p>This could be a barrier for a city/district that is aspired to be a carbon-neutral district, and tried to achieve that thought generating renewable energy.</p>	<p>Provide better recognition of renewable energy generation as an offset against use.</p> <p>Consider a framework that identifies the potential pathways for cities or districts which have aspirations to achieve carbon-neutral status.</p>
Q13 What evidence is there on the possible physical effects of future climate change on sources of renewable energy in New Zealand, such as wind, solar and hydro power?	<p>Hydro generation: It is likely that more intense ex-cyclone will bring debris and sediment to hydro dams, and the accumulation of this could hinder the generation capacity.</p> <p>The large amount of water that intense rainfall events bring could also impose risks to infrastructure that controls/manages rivers and lakes.</p>	No recommendation required.
Q17	There are opportunities for reducing waste in general. However, extreme weather	Provide a strong focus and

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<p>What are the main opportunities and barriers to reducing emissions in waste?</p>	<p>events (intense rainfalls, coastal storms, higher sea-level or a combination) can cause significant loss and damage, and a significant amount of waste due to water damage and contamination.</p>	<p>support in adapting to the changing climate, and mitigating flooding and coastal hazards.</p>
<p>Q22 What type of support for innovation and technology would best help New Zealand transition to a low-emissions economy?</p>	<p>More support and technology is needed to help us understand and recognise more carbon storage opportunities (for mitigation) that have co-benefits for adaptation that can help New Zealand to be more resilient to the effects of climate change (eg. sea-level rise, warmer temperature, more intense ex-cyclone and extreme weather events).</p>	<p>Provide focus and priority on identifying and recognising additional carbon storage opportunities with adaptation co-benefits.</p>
<p>Q28 Is New Zealand's current statutory framework to deal with climate change adequate? What other types of legislation might be needed to effectively transition towards a low-emissions economy?</p>	<p>The current framework is not adequate as it is very limited in the ability to address greenhouse gases. As an example, there is extremely limited ability to provide any legislative disincentive related to the largest emission source in New Zealand – agriculture (see figure sourced from MfE).</p>  <p>While this question is asking about statutory framework the question could also be directed</p>	<p>That New Zealand's statutory framework provides more ability to deal with greenhouse gas from the agricultural sector.</p>

<b>Reference</b>	<b>Position</b>	<b>Recommendation</b>
	<p>at the policy framework. The national policy framework to date encourages and fosters the agricultural-based economy to continue to grow with a mix of incentives (eg irrigation scheme funds) and insurance (eg drought recovery funds). Central Government has active policy programmes to increase dairy exports and increase productivity from Maori Land – both of which increase GHG emissions from agriculture.</p> <p>The legislation in the United Kingdom provides a clear political signal, however, the solutions for New Zealand needs to be tailored to the context in New Zealand.</p>	
<p>Q29 Does New Zealand need an independent body to oversee New Zealand's domestic and international climate change commitments? What overseas examples offer useful models for New Zealand to consider?</p>	<p>Yes, as it could provide an overview and ensure continuous commitment to a 'long-term consistent progressive' approach to climate change. However, as climate change has many aspects to it a 'whole-of- government' approach is also necessary.</p>	<p>Support an independent body to oversee New Zealand's domestic and international climate change commitment. This body will work within a whole-of-government approach to climate change.</p>
<p>Q31 What types of analysis and underlying data would add the greatest value to this inquiry?</p>	<p>There is a risk of limiting analysis to measurable or measured data only, which could lead to missing opportunities. For example, the Regional Council supports and undertakes the planting of native plants on private, covenant and public land, as well as restoring soil, wetlands and habitats - these are likely to store carbon and enhance resilience to the changing climate, yet, these may be seen as a 'data gap' due to their measurability.</p> <p>The 'data gap' issue and its subsequent lack of recognition could create barriers for making more carbon reduction options available.</p> <p>Also see responses for Q2, Q5, Q6 and Q7.</p>	<p>Provide the type of analysis that focuses and prioritise on identifying and recognising additional carbon storage opportunities with adaptation co-benefits.</p> <p>Provide the type of analysis that recognises long-term carbon storage in regenerating native bush</p>

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		and wetland environments.
<p>Q33 What are the main co-benefits of policies to support a low-emissions transition in New Zealand? How should they be valued and incorporated into decision making?</p>	<p>The issue paper had asked “How should co-benefits be valued as compared to the core benefits of climate change mitigation?” In some way, the focus should be on recognising, encouraging, maintaining and increasing opportunities for these win-win activities, instead of comparing or defining them. This is particularly relevant for those that currently have little or no economic incentives in the short-term market, such as restoring natural wetlands (potentially with multiple co-benefits that range from hydrological, ecological and cultural).</p>	No recommendation.
<p>Q34 Who are the most important players in driving forward New Zealand’s transition to a low-emissions economy?</p>	<p>The most important players driving transition in New Zealand could be the innovation research and science sector and the agriculture and waste sectors. This is particularly so given the unique greenhouse gas emission profile in New Zealand, where non-carbon-dioxide greenhouse gases are responsible for over half of NZ’s emission. The main challenge could be a mix of reducing animal numbers, reducing the methane released from animals, and capturing and sequestering methane and N<sub>2</sub>O. The efficient and sustainable use of energy and resources continues to be an important focus and would form an important part of a low-emission economy.</p>	No recommendation.
<p>Q36 What are the essential components of an effective emissions-mitigation strategy for New Zealand that will also be economically and politically sustainable?</p>	<p>Efficient use of resource in local food production and distribution is one way to achieve a sustainable local economy.</p>	Support and protect versatile land/soil, which provides a local food production option.