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Via Website

SUBMISSION TO THE CLIMATE CHANGE COMMISSION ON ITS DRAFT ADVICE TO INFORM THE DEVELOPMENT OF THE SECOND EMISSIONS REDUCTION PLAN

Thank you for the opportunity to present this submission on the draft advice to inform the development of the second Emissions Reduction Plan.

The Queenstown Lakes District Council (QLDC) is supportive of the draft advice to inform the development of a second Emissions Reduction Plan (ERP) to reduce carbon emissions in Aotearoa New Zealand, combat climate change and meet the country's net-zero emissions targets.

QLDC is extremely active in the climate change space. Part of its 2019 Climate Action Plan was the action to form an independent, multi-disciplinary Climate Reference Group. This submission has been endorsed by the Climate Reference Group, contributing significant knowledge and expertise on the strategic priorities for emissions reduction. Reference to 'Council' in this submission refers to both Council and the Climate Reference Group.

Focal points for the Queenstown Lakes district in the draft advice include strategic matters, the built environment, transport, waste, and several additional matters

A key topic that has not been included in the advice is the substantial role of tourism and the visitor economy to Aotearoa New Zealand. Council requests that the advice consider tourism, due to its significance to the economy as a whole, and Queenstown Lakes District in particular. Inclusion of this sector will be necessary to meet emissions targets.

It should be noted that due to the timeline of the process, this submission will be ratified by full council retrospectively at the next council meeting.

Thank you again for the opportunity to comment.

Yours sincerely,

Glyn Lewers
Mayor

Mike Theelen
Chief Executive

SUBMISSION TO THE CLIMATE CHANGE COMMISSION ON ITS DRAFT ADVICE TO INFORM THE DEVELOPMENT OF THE SECOND EMISSIONS REDUCTION PLAN

1.0 Context of the advice in relation to Queenstown Lakes District

1.1 Queenstown-Lakes District (QLD) is a district with an average daily population of 50,550 (visitors and residents) and a peak daily population of 112,150[1].

1.2 QLD residents are highly climate-conscious and passionate about the integrity of the environment. Most people move to the district because of a connection with the lakes and mountains; it is this connection that drives many to participate in climate action, sustainability, and conservation initiatives.

1.3 The district is also proud to have a number of highly active community groups that are focused on sustainability and environmental protection, which have contributed to the development of an engaged, informed, and diverse network of individuals across the district.

1.4 In June 2019, the QLDC declared a climate and ecological emergency and has since established a Climate Action Plan, focusing on emissions reduction mitigation activities as well as adaptation considerations[2]. The 2022-2025 Climate and Biodiversity Plan sets out how the district is going to respond to climate change and biodiversity restoration and includes 70 actions. These range from reducing carbon emissions through more effective land-use planning and infrastructure design, to regenerating native forest.

1.5 Climate action is also inherent to the district's long-term planning and is a key element of the QLD Spatial Plan 2021-51. The Spatial Plan is an output of the Whaiora Grow Well Partnership, which is an Urban Growth Partnership between Central Government, Kāi Tahu, Queenstown Lakes District Council and Otago Regional Council. The Queenstown Lakes Spatial Plan[3] sets out the partnerships' long-term approach to grow well (whaiora), identifying priority areas for growth, transport, community facilities, infrastructure, and economic development. Emissions reduction, sustainability, resilience, and community wellbeing underpin all aspects of the Spatial Plan, through to 2050.

1.6 QLDC is also a partner alongside local Regional Tourism Organisations (RTOs) to the recently released Destination Management Plan: "Travel to a thriving future: Regenerative Tourism Plan"[4]. This plan contains the ambitious target of the visitor economy of Queenstown Lakes reaching carbon zero by 2030. The roadmap to achieve this world-first goal is highly contingent on the decarbonisation of the district's transport system.

Strategic Matters

2.0 The role of the visitor economy and tourism policy in reducing emissions needs to be represented in the advice

2.1 ***A mature, balanced national conversation is required about the future of tourism.***

2.1.1 Tourism and the international visitor economy play an important role in both the economy and the emissions profile of Aotearoa New Zealand, yet at a national level the discourse about its benefits and challenges is inconsistent. The value of the tourism system needs to be

[1] https://www.qldc.govt.nz/community/population-and-demand

[2] https://www.qldc.govt.nz/your-council/our-vision-mission/climate-action-plan

[3] Spatial Plan - QLDC

[4] Travel to a thriving future: Regenerative Tourism Plan

acknowledged and a clear pathway to a thriving future understood. The Queenstown Lakes District is an important contributor to what was (pre-COVID-19) the country's largest export industry. It is important that in planning the future direction of the tourism system, the externalities of the unavoidably high levels of air travel are taken into account. At a national level, a mature and reasoned conversation is required to fully understand both the whole of life cost of visitors and benefits, with regard to both emissions and economic inputs.

2.1.2 The Queenstown Lakes Regenerative Tourism Plan provides a pathway to reducing emissions in the district. Tourism has made a considerable contribution to the national economy for a number of years and in the interests of enduring change, progress should be made in a collaborative fashion.

2.1.3 Tourism is central to the economic wellbeing of the majority of residents in the Queenstown Lakes District[5]. Manaakitaka (hospitality) and kaitiakitaka (stewardship) run deeply in the tourism industry and are guiding principles in the Regenerative Tourism Plan that is leading many to taking significant steps within their spheres of influence to effect positive and meaningful change. Their ability to prioritise emissions reduction is highly variable and further support from government will be needed.

2.2 ***New Zealand needs to attract values-driven visitors and capture better data***

2.2.1 The landscapes and environment of outstanding natural beauty of the Queenstown Lakes District attract visitors to the region, providing a daily reminder of how essential the environment is to the tourism product offering.

2.2.2 The Regenerative Tourism Plan is designed to work towards attracting values-driven visitors to the district and ensuring they are served by products that reduce their carbon footprint as far as possible.

2.2.3 Alongside this, it is essential to understand the impact of visitors on emission-reductions initiatives and to better understand how international visitor emissions can be mitigated at a national, regional, and local level. Central government has an important role in ensuring there is reliable baseline data and setting consistent targets for this sector.

2.3 ***Emissions reduction contributions in tourism should be incentivised and rewarded***

2.3.1 Emissions attribution in the visitor economy is complex, but QLD has recently undertaken a significant piece of work to understand the emissions profile of the tourism system in the district. The discussion document outlining the challenge is attached at Appendix A.

2.3.2 The discussion document highlights that the challenges of land transport, aviation and energy remain the most significant.

2.3.3 The next steps in the project will include the development of a roadmap for emissions reduction through to 2030, plus the development of a model to understand what optimum visitation means in the context of the district. To date it has been challenging to obtain confirmed funding for these industry-leading initiatives.

[5] 77% of people work in tourism, accommodation, and hospitality. https://ecoprofile.infometrics.co.nz/queenstown-lakes%2bdistrict/Tourism/TourismEmployment

2.3.4 The second ERP should include actions that incentivise and reward contributions to the rapid reduction of gross emissions as they relate to the tourism system.

Recommendations:

R.1. It is recommended that tourism and the visitor economy is included in the second ERP.

R.2. Consider support for the tourism industry to reduce emissions.

R.3. Include actions in the second ERP that reward contributions towards gross emissions reduction.

Whāia ngā Tapuwae

3.0 Māori and indigenous knowledge and leadership are vital in achieving emissions reduction targets.

3.1 QLDC supports the proposed recommendations in the draft advice with regard to Whāia ngā Tapuwae. The Intergovernmental Panel on Climate Change advocated for indigenous knowledge as a starting point for regional/local adaptation and mitigation. Therefore, a model similar to the former Mātauraka-a-Kāi Tahu[6] should be considered and incorporated into the plan and funded as a best practice models.

3.2 The second ERP needs to support and enable Māori leadership to provide a strong foundation for iwi and hapū in future generations. Resourcing should be ringfenced for this to happen. Financial resources to enable iwi and hapū to drive the integration of Mātauraka Māori into policy design, development, and implementation is imperative[7].

Recommendations:

R.4. Direct funding is recommended in order to achieve emissions reductions targets through the effective use of Mātauraka Māori.

Maintaining and enhancing wellbeing through the transition

4.0 The implications of a just transition need to be addressed transparently

4.1 The need for an equitable, inclusive, and well-planned transition is fully supported. This needs to be viewed with a holistic approach to wellbeing and a focus on social equity with a priority placed on vulnerable people. The advice should squarely address the hardships that society will face during the transition period, irrespective of whether or not the transition is just. Even in the pursuit of equitable transition, there will be considerable changes to lifestyle and consumption needed. QLDC recommends that a programme of education is developed to effectively prepare people for this change.

4.2 QLDC recommends that the advice requires the Ministry for the Environment to acknowledge the difficulty in making lifestyle changes to meet climate emission targets. It should further be required to ensure a just transition is advocated for when planning change. A sliding scale of impact based on a number of factors

[6] QLDC uses the southern Ngāi Tahu dialect that replaces “ng” with “k”. For example, “Ngāi Tahu” is written and pronounced “Kāi Tahu”.

[7] https://www.qldc.govt.nz/your-council/council-documents/queenstown-lakes-spatial-plan

should be taken into account when planning for transitions. Furthermore, the intergenerational impacts of climate change need to be taken into account, as all future work will be based on what is currently underway.

Recommendation:

R.5. It is recommended that the potential difficulties that are involved in a just transition are addressed through a widespread programme of education and behaviour change to face the challenge.

Built Environment

4.3 QLDC supports the work of the Climate Change Commission in developing the draft advice to inform the second ERP and the proposed recommendations within the built environment chapter, however, it has further points for consideration in relation to recommendations 10,11 and 12.

5.0 Recommendation 10, an urban planning system that incrementally reduces climate risks

5.1 Proposed recommendation 10 is "implement an integrated planning system that builds urban areas upward and mixes uses while incrementally reducing climate risks". The QLDC Spatial Plan was developed with the purpose of achieving an integrated planning system. QLDC requests that the advice include a clear definition of integrated planning, to ensure consistency of use.

5.2 Further detail is also required to define the levels of significance of different climate risks. Tools or a framework to assess these risks are needed, and an approach to how this will be addressed this should be outlined.

5.3 Consideration of a framework for clearer decision pathways for building in an adaptive capacity, alongside low emissions technology needs to be included in the advice. In addition, a pragmatic, future-focussed view of adaptation in comparison to retreat measures is needed, to ensure low-emissions buildings and technology is appropriately invested in and located to achieve the greatest benefits.

5.4 The built environment should be a key focus area of a 'just transition' and policy design should take into account gearing outcomes to affordability and accessibility. If this does not occur, the ability to live in a low-impact and low-emissions fashion will be inaccessible to low income households. For example, Kāinga Ora has started to establish a role in a local prefabricated home supply chain by helping to smooth manufacturing fluctuations. There may be opportunities for a coordinated approach to scale-up this type of lower-emissions project.

5.5 To support this process, there is the need for more system integration to provide clarity between government agencies on policy direction to meet prescribed climate targets and achieve alignment and implementation. For example, the Public Housing Design Guidelines do not include climate change directives explicitly; this should be considered.

6.0 Recommendation 11, incentivising retrofitting to deliver healthy, resilient low-emissions buildings.

6.1 QLDC supports proposed recommendation 11, incentivise comprehensive retrofits to deliver healthy, resilient, low emissions buildings. It is recommended that this emphasises maximum benefits to those who would most stand to gain from improved health and lower household running costs. This should be a targeted

approach towards more vulnerable populations to ensure a just transition. One way to achieve this could be the expansion of the Māori and Public Housing Renewable Energy Fund, which was over-subscribed and resulted in some positive outcomes, especially regarding the integration of solar energy options. QLDC also supports the continued consolidation of Whai Kāinga Whai Oranga, which has a retrofit element, into a permanent fund as an output of the second ERP.

6.2 The development of the second ERP should consider opportunities for devolved funding with guidelines to support community-level action, especially with reference to resilience.

6.3 In line with this recommendation, there is the opportunity for the second ERP to reform building codes to achieve better building outcomes. Rather than a "lowest common denominator approach" to the building code, a more ambitious approach could be instrumental in creating and delivering healthy, resilient, low emissions buildings both commercially and residentially and prioritise the use of natural building products as opposed to high carbon output products. However, use of the term "incentivise" does not signal the comprehensive funding required to achieve this. Details on the mechanisms that could help to achieve this recommendation should be outlined.

7.0 Recommendation 12, restrictions and prohibitions on fossil gases.

7.1 Proposed recommendation 12 highlights that there are different types of gas; fossil fuels and other sources of gas such as landfill gas that are not fossil-based. Prioritising the latter and discouraging the former should be considered. There is also no mention of biogas and the future potential of this as a product. However, while fossil-based gases do not allow for emissions reduction, banning its use would reduce community resilience, if not undertaken alongside adaptive action. This is of particular concern in the Queenstown Lakes District if the Alpine Fault earthquake were to occur, cutting off electricity supply to the district. This is an example of the issues that need to be addressed when considering the removal of alternative power options, like fossil fuel powered generators.

7.2 The restriction on gas connections proposed for new buildings does not consider the opportunities for retrofitting existing buildings. QLDC encourages the second ERP to include staged retrofit requirements within the restrictions on fossil gases.

7.3 Removing fossil gases from use is an area where iwi and hapū may benefit from additional resources in order to make sustainable changes to their power sources at home and in the Marae. Kāi Tahu's action plan outlines how to assist marae to become more sustainable and fossil-fuel free, particularly in their important role as civil defense relief centres.

Recommendations:

R.6. It is recommended that the advice ensure that integrated planning empowers local government to develop and implement spatial plans that focus on emissions reduction.

R.7. QLDC requests that recommendation 10 be clarified to provide a clear definition of integrated planning if it has a different meaning or additional context to spatial plans.

R.8. QLDC recommends that the advice include a framework for clearer decision pathways for building adaptive capacity, alongside low emissions technology. In addition, a pragmatic, future-focussed view of adaptation as compared to retreat measures is needed, to ensure low-emissions buildings and technology is appropriately invested in and located to achieve the greatest benefits.

R.9. In addition to recommendation 11, create funding options that incentivise community-level action to reduce

emissions and move towards renewable energy solutions.

R.10. Consider opportunities for devolved funding with guidelines to support community-level action, especially with reference to resilience.

R.11. QLDC supports recommendation 11, and further recommends reform to building codes and practices to deliver healthy, resilient, and low-emissions buildings.

Transport

7.4 QLDC supports the work of the Climate Change Commission in developing the draft advice to inform the second ERP and the proposed recommendations within the transport chapter, however, it has further points for consideration in relation to recommendations 16 and 18.

8.0 Recommendation 16, simplifying planning and increase funding of integrated transport networks that optimise public and active transport

8.1 QLDC strongly supports the need to increase investment in public and active transport, in order to support a mode shift toward alternate transport from the status quo of private vehicle use.

8.2 In 2020, QLDC funded an Emissions Reduction Roadmap for the district. This report included modelling for a high change pathway for the decarbonisation of the district's transport system. Based upon the emissions audit, transport contributes the majority of emissions to the district's profile[8].

8.3 In addition, a key action in the Spatial Plan is the creation and implementation of a mode shift plan for Queenstown, including travel demand management. It is QLDC's position that mode shift targets and the provision of mode choice in new or intensified developments are increasingly impeded by a growing gap between planning for modal options and central government funding to action these.

8.4 As a rapidly growing district, it is QLDC's position that unless the second ERP is accompanied by a detailed investment plan, a mode shift away from private vehicle use is not tenable. Whilst QLDC supports the sentiment behind this recommendation, it opposes setting targets for mode shifts that are not supported by appropriate funding.

8.5 The local and regional work occurring in this space should inform a national mode-shift plan as well as the second ERP. Public transport delivery is currently highly fragmented across central, regional, and local government and is generally only improved if demand can be demonstrated. The second ERP should look at transport and mode-shift as an equitable incentivising solution through improving the reach, frequency, and quality of public transport.

8.6 Furthermore, working with local government and making public transport desirable for all as part of an equitable transition would have a positive impact, particularly for low-income households. The lack of a high-quality, low emission, integrated regional public transport network (i.e., inter-city buses and trains) is an

[8] Greenhouse Gas Inventory, Tonkin & Taylor, 2020 (available here: https://www.qldc.govt.nz/your-council/our-vision-mission/climate-action-plan)

obstacle to reducing domestic aviation emissions, to households reducing the number and use of motor vehicles, and is a cause of transport poverty for non-car owners.

8.7 There remains a significant cultural attachment to individual personal transport and cars that can only be addressed by a range of interventions that include a combination of incentives and disincentives (such as road pricing) and broad scale education. Only with the correct balance of these will New Zealand be in a position to break existing patterns of travel and overcome the barriers to mode shift e.g., taking public transport or using active travel to reduce emissions.

8.8 To achieve mode shift in new urban developments, mode options are required at the early stages, as compared to waiting until issues are apparent. Currently planning across New Zealand is reactive in transport and other infrastructure planning. To realise change in this arena, early intervention and planning is required. As an example, this would allow future occupants of new housing development areas to factor in travel and cost in their decision to purchase. The second ERP will not facilitate any change unless there are actions to address the current reactive approach to infrastructure provision. A shift to a proactive, "build it and they will come" model of transport infrastructure provision is required if change is to be swift.

8.9 Some of the options for rapid transit reduce flexibility to adaptation and resilience measures (e.g., if light rail for example is built in a place that may become more exposed to flooding in future). This highlights that decisions for reduced emissions need to be aligned with those for adaptation and resilience. This should be considered in the advice to the second ERP.

9.0 Recommendation 17, rapidly resolving the barriers to scaling-up vehicle charging infrastructure

9.1 The district faces a complex electricity challenge due to the capacity of the infrastructure, the topography, landscape values and protections, seismic risk, rapid increases in energy demand and the affordability of asset investment and maintenance programmes. Secure and reliable Electric Vehicle (EV) charging services can only be provided from a resilient distribution network that has sufficient capacity to cope with peak demand. In light of these vulnerabilities, careful consideration needs to be applied to future off-grid generation as well as central transmission network planning. Smart technology can assist in alleviating pressure, improving local resiliency, and avoiding the risk of capital over-investment.

9.2 While QLDC acknowledges that the promotion of and shift towards private EVs is necessary and likely to have a range of positive impacts, it should not be done at the expense of promoting the need for mode shift towards alternate transport, including forms of active travel. Consistency with other urban development objectives and national policy statements is critically important in this regard. New Zealand is approaching a critical tipping point with regard to EV adoption so it is imperative that a robust approach is applied to EV charging to ensure that new disruptive models of service can be investigated and adopted to reduce the burden of considerable long-term capital investment.

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

10.1 QLDC supports this recommendation, but adds that there also is a need to encourage the development of alternative motor transport methods instead of rushing to a complete phaseout of internal combustion engine (ICE) power and committing to a complete dependence on EVs. There are a number of technologies being developed that have the potential to provide more sustainable, recyclable, and less polluting alternatives to EVs. Hydrogen power is already on the market in the trucking industry as an adjunct to diesel

and its supply network is rapidly expanding. ICE engines will burn hydrogen and biofuels, and hydrogen fuel cells are likely to eventually make reliance on battery storage alone redundant. National reliance on Lithium battery-based EVs will not be the only emissions-reducing option in the future.

Recommendations:

R.12. QLDC supports recommendation 16 on the basis that it is accompanied by a detailed investment plan, otherwise it objects to targets that are untenable to achieve, due to lack of funding.

R.13. QLDC recommends that the advice aligns emissions reduction with adaptation and resilience when planning changes to transport options.

R.14. A robust approach to EV charging infrastructure to ensure that new disruptive models of service can be investigated and adopted to reduce the burden of considerable long-term capital investment is recommended.

R.15. The advice should encourage the development of alternative motor transport methods, to avoid a complete reliance on EVs.

Waste

Waste and Fluorinated Gases (F-Gases)

11.0 Waste in the Emissions Reduction Plan needs to align and integrate with the National Waste Strategy to achieve meaningful change in emissions.

11.1 QLDC supports the application of regulatory and policy instruments to achieve the optimal use and efficiency of landfill gas capture systems and technologies at landfills. The treatment of waste is currently inconsistent across Aotearoa New Zealand. The system requires a wider commitment, including a commitment to implement appropriate restrictions on imported goods, to ensure products entering the country are of high quality, repairable and/or recyclable.

11.2 Efforts should focus on industry, manufacturers, importers, and consumers by developing targets to reduce emissions from the production and disposal of consumer goods. It is recommended that targets for emissions associated with consumer goods be developed in conjunction with the implementation of the New Zealand Waste Strategy Te Rautaki Para and the development of regulated product stewardship schemes.

11.3 The advice relating to waste needs to ensure that the focus is not just on emissions generated at municipal landfills often operated by or on behalf of councils. A greater portion of emissions from waste is generated and managed by the private sector (e.g., construction waste landfills, or green waste landfills) which are outside of QLDC's control.

11.4 Emphasis on the waste hierarchy for organics is critical. Investing in landfill gas capture technology and recovery of energy must not overtake investment in the capture of organic material for beneficial use in the carbon cycle. Beneficial use of biomass to feed the soil is in keeping with the waste hierarchy and is supportive of regenerative ecosystems. Advice to the ERP should note that beneficial reuse of organics be focused on soil regeneration as this co-benefits local food resilience.

11.5 Organics diversion from landfill is often focused on garden and food waste, but higher global warming potential may come from disposal of textiles, paper, cardboard, and timber. These materials need to be

included in the priority products for mandated product stewardship schemes. Shifting the burden of emissions and landfill away from councils and back to the user and consumer of products and services will be more effective and more equitable.

11.6 The 'right to repair' generally refers to legal protections which force companies to maintain the supply of parts for older products, so that consumers may repair them, instead of disposal being the only option when there is a malfunction. It is recommended that the second ERP include support for legislation in this arena.

11.7 QLDC supports stricter enforcement and monitoring for refrigerants, including for disposal of refrigerants from vehicles.

Recommendations:

R.16. QLDC recommends that the advice focus on waste emissions reduction regulations to the production and disposal of consumer goods.

R.17. Targets need to be developed and introduced in order to reduce emissions associated with consumer goods, in order to bring the focus on emissions reduction efforts to industry, manufactures, importers, and consumers.

R.18. QLDC recommends that the ERP include investment in the capture of organic material for beneficial use.

R.19. The advice should include supporting the development of 'right to repair' legislation.

Emissions Pricing

12.0 Emissions reduction requires greater regulation through the Emissions Trading Scheme (ETS) and the ERP.

12.1 QLDC supports the recommendation to amend the Emissions Trading Scheme (ETS) to separate Gross Emissions Reduction (GER) from those applying to forestry.

12.2 QLDC also supports the proposed recommendation to develop an approach that can provide durable incentives for net carbon dioxide removals by forests through to and beyond 2050. QLDC particularly supports that this must continue beyond 2050.

12.3 Emissions reduction requires greater regulation than the ETS currently provides. If properly regulated, the ETS will be a useful tool for driving behaviour change. But given the massive changes needed in a short timeframe and the requirement for an equitable transition, the second ERP requires far greater use of regulation. New regulation needs to be referenced throughout the ERP, with firm timelines, commitments, and detail if the urgency of change is to be reinforced.

12.4 The greatest responsibility needs to be placed on those with the greatest emissions profile. QLDC supports the assignment of responsibility for emissions reduction to individuals, households, businesses, and local and central government. However, QLDC recommends that greater responsibility needs to be placed on the businesses, groups, and organisations that make the most significant contribution to the emissions budget. There is a need to address emissions reduction at the right scale. Some things are best addressed at a very local level, others at a regional or catchment level. A council boundary is possibly not the most effective, and the ERP and programme should be adaptable to allow communities at different levels to collaboratively address emissions reduction.

12.5 QLDC does not support an approach that relies on technological advances to reduce methane, but recommends instead support to transition to regenerative farming practices. QLDC acknowledges and celebrates the significant leadership that its local farming community has demonstrated the adoption of progressive and regenerative farming practices.

13.0 The second ERP needs to support global emissions reductions, biodiversity protection and an equitable transition for all.

13.1 QLDC believes a principle is needed to prevent the second Emissions Reduction Plan from driving up the biodiversity losses and emissions of our trading partners or creating an inequitable transition for the people living and working in the countries New Zealand trades with. The goal is to reduce global emissions and to do it in a way that does not create or entrench inequities.

13.2 The plan needs to ensure that in reducing New Zealand's emissions, there is not an increase in the global carbon footprint or global inequities.

Recommendations:

R.20. QLDC recommends that the need for greater and more complex regulation of the ETS should be included in the second ERP.

R.21. The advice should include that greater responsibility should be placed on businesses, groups, and organisations that make the most significant contribution to the emissions budget.

R.22. QLDC recommends that the second ERP include a principle that reducing emissions in New Zealand does not adversely affect biodiversity and the emissions of New Zealand's trading partners.

Additional Matters

Agriculture

14.0 The agricultural sector has great potential in helping to reduce emissions if planned effectively

14.1 QLDC supports the recommendation that advisory and extension services be enhanced to enable farmers to respond to pricing and accelerate the adoption of emissions-efficient practices, appropriate land use diversification, nature-based solution (NbS) and emerging technologies to reduce gross emissions. Low emissions primary produce has the opportunity to compete more favourably in both the domestic and overseas market, in comparison to a more carbon emission intensive product.

14.2 QLDC recognises the importance of gross emissions in the agricultural sector, however, sequestration opportunities presented by native planting, regenerative agricultural practices and increased biodiversity also need to be considered. Sequestration is also possible in 'blue carbon' and there is future potential to earn credits for shifting land use to accommodate that.

14.3 The recommendation to advance agricultural pricing systems to enable recognition of a broader range of emissions-reducing practices and technologies and incentivise gross emissions reductions in line with the 2050 target is supported. However, careful consideration around how carbon is quantified within these practices and technologies; robust calculations and methodologies are key so that reduction and sequestration are not over- or under-estimated.

Energy and Industry

15.0 Recommendation 13, prioritise and accelerate renewable electricity generation build and ensure electricity distribution networks can support growth and variability of supply and demand.

15.1 As discussed above in relation to EV charging, the district faces a complex electricity challenge. Currently the Queenstown Lakes District is subject to significant vulnerabilities from both a disruptive shock to the district's transmission network as well as the stress of insufficient capacity to manage the increased demand from decarbonisation.

15.2 In light of these vulnerabilities, Council supports this recommendation, and adds that there should be an emphasis on distributed electrical generation to provide resilience from natural disaster and climate change. The second ERP should consider investment in subsidising the cost of solar and batteries alongside the consideration of the grid technology and education around using batteries to power homes.

15.3 Local generation is preferable to continued development of traditional transmission infrastructure from outside of the district. The risk of 'over-building' transmission infrastructure is a significant concern for the district's communities. QLD is not part of the national grid, so transmission infrastructure costs would be carried by the local community. The second ERP should also consider the implications of existing electricity regulations for decarbonisation.

15.4 From a systems integration perspective there is a need to consider the costs of transmitting energy from production points to areas that are further afield or in more challenging environments as a barrier to energy equity. It is common for smaller, rural areas often already lacking in infrastructure to pay more for electricity due to higher lines charges. Areas that fit this criterion should be specifically referenced in the second ERP to ensure they are not left behind in reducing emissions.

15.5 There is currently a significant level of inequity in relation to accessing household savings from home solar systems. The current high cost of solar installation means that only those on higher incomes can access the substantial savings over the long term that this investment enables. The cost of this investment is forecasted to reduce in the coming years, however careful consideration needs to be applied to how these benefits can be made accessible to low-income families who are most exposed to increases in fossil fuel prices.

15.6 This is an area where resourcing should be made available to iwi/hapū so that renewable electricity generation can be advanced in iwi/hapū communities and takiwa.

Recommendations:

R.23. QLDC supports recommendation 13, and adds that there should be an emphasis on distributed electrical generation to provide resilience for natural disaster, as well as climate change.

R.24. Local energy generation is preferable for communities like in the QLD and should be considered in the second ERP with regard to the implications of existing electricity regulations for decarbonisation.

R.25. The second ERP should consider investment in subsidising the cost of solar and batteries alongside the consideration of the grid technology and education around using batteries to power homes.

The second ERP should consider areas where resourcing should be made available to access renewable energy sources, specifically iwi/hapū communities and takiwa.

R.25. Smaller, rural areas should be specifically referenced in the second ERP to ensure they are not left behind in reducing emissions.

16.0 Recommendation 14, pursue more widespread process for heat decarbonisation and establish mechanisms for other industrial sectors and processes to decarbonise.

16.1 QLDC supports the proposed recommendation to pursue more widespread process heat decarbonisation and establish mechanisms for other industrial sectors and processes to decarbonise. The second ERP should develop stronger regulations and expectations from central government for large companies to switch out process heat (i.e., the use of steam, hot water, or hot gases etc. in industrial processes) as quickly as possible as these would result in big emissions reductions wins for New Zealand as a whole. Domestically, the second ERP should include support for households to switch out traditional fuel burning to more sustainable options.

Recommendations:

R.26. QLDC recommends that the second ERP include support for households to switch out traditional fuel burning to more sustainable options.

Forests

17.0 An increase in focus on planting indigenous plant species, rather than exotic plantations is required.

17.1 QLDC does not support carbon forestry on the basis of community, emergency management and environmental concerns. However, if carbon forestry remains, QLDC recommends that the removal of the ability to register exotic species within the permanent forest category of the ETS be recognised and continued. Forests that consist of exotic species (such as Pinus Radiata, other conifers, or hardwoods) should not be eligible to be registered as a permanent forest for emissions reduction.

17.2 The second ERP should look at incentivising planting permanent indigenous species rather than the planting of exotic species to maintain and enhance local biodiversity. Well-managed indigenous forests are likely to have better environmental and biodiversity outcomes over time than comparable exotic forests.

Recommendations:

R.27. QLDC recommends that the removal of the ability to register exotic species within the permanent forest category of the ETS be recognised and continued.

R.28. It is recommended that the second ERP incentivise planting permanent indigenous species to increase biodiversity, rather than the planting of exotic species.

Research, Science, Innovation, and Technology

18.0 There is potential for new research and innovation to make an impact on emissions reduction

18.1 The second ERP should aim to enhance performance transparency and expectations for research and innovation around climate, and increase investment in climate related research and development funding, with higher investment in mitigation and adaptation to climate change.

Recommendations:

R.29. QLDC recommends that the second ERP enhance performance transparency and expectations for research and innovation around climate, and increase investment in climate related research and development funding.

Funding and Finance

19.0 Significant investment is required in massive-scale behaviour change

19.1 The second ERP will need to include a clearly outlined climate financing strategy. This is well articulated in the commission's draft advice that states, "taking an expansive, collaborative, and consistent approach will enhance research and business innovation and help all corners of the economy do their part. Providing a unifying strategy will reduce financial risks related to climate change and ensure Aotearoa New Zealand has the necessary funds to meet its emissions budgets"[9]

19.2 QLDC recommends that the ERP includes support for financing adaptation and emissions reductions concurrently and with a long-term perspective in mind. For example, ensuring that low-emissions investments are resilient to climate hazards.

19.3 Whilst local-level behaviour will be important to contribute to mitigation initiatives and local adaptation plans, broader systems change will be far more compelling. A focus on full system change is needed to effect behavioural change and government leadership will be central to success, as discussed above in relation to transport. Support for behavior change should be deep, ambitious, and far-reaching. It is vital that the central government does not underestimate the investment required in this space. It is critical that this investment has significant reach. The time of piloting and small patches of change has passed. Investment in behavioural change capacity-building, including in local government should be included across all phases of national budget planning. QLDC recommends that the advice includes a proposal to develop a behaviour change fund and recommends that further opportunities to invest in behaviour change are sought.

Recommendation:

R.30. QLDC recommends that the ERP include support for financing adaptation and emissions reductions concurrently and with a long-term perspective in mind.

R.31. QLDC recommends that the advice includes a proposal to develop a behaviour change fund and recommends that further opportunities to invest in behaviour change are sought.

Circular Economy and Bioeconomy

20.0 Support for businesses and the economy moving to a circular model needs to be considered

20.1 QLDC supports the recommendation for embodied emissions to be factored into infrastructure decision-making. This would help provide best practice guidance on decisions to build. QLDC has started to develop a capital carbon baseline for its operations, but in this complex space the provision of a toolkit and methodology would help to ensure consistency across the sector.

20.2 The second ERP should consider monetary benefits or support for businesses to take on circular models and improve transparency on recycling and waste volumes.

20.3 The advice should include Nature Based Solutions for agriculture and biodiversity. Nature-based solutions could effectively contribute to emissions reduction if a broader approach is taken in the plan, away from a

[9] Draft advice document, pg. 166

focus on re-forestation, toward a range of nature-based solutions, such as recreating and preserving wetland spaces.

Recommendation:

R.32. The second ERP should consider monetary benefits or support for businesses to take on circular models and improve transparency on recycling and waste volumes.

R.33. It is recommended that the advice include Nature Based Solutions for agriculture and biodiversity.

R.34. The second ERP should provide a toolkit and methodology on developing a capital carbon baseline for business and organisational operations to ensure consistency across the infrastructure sector.