

23 August 2024
Via online submission

Kei te rangatira, tēnā koe,

RE: SUBMISSION ON THE MINISTRY FOR THE ENVIRONMENT'S ON NEW ZEALAND'S SECOND EMISSIONS REDUCTION PLAN (2026–30)

Queenstown Lakes District Council (QLDC) would like to thank the Ministry for the Environment (MfE) for the opportunity to present this submission on the discussion document for New Zealand's second emissions reduction plan (ERP2) for 2026 to 2030.

This submission has been prepared with input from, and endorsed by, the [Climate Reference Group \(CRG\)](#) that provides advice to Council on climate and biodiversity matters. The CRG is an independent, multidisciplinary group of community leaders and climate and biodiversity experts who have significant knowledge and expertise on the strategic priorities for climate change and protection and restoration of indigenous biodiversity.

Global temperatures indicate that an overshoot of 1.5°C global warming between 2026 and 2042 is highly likely¹ and recent extreme weather events in Aotearoa New Zealand demonstrate the urgency in reducing gross greenhouse gas (GHG) emissions. QLDC supports central government's commitment to meet New Zealand's first two emissions budgets in the preparation of ERP2. However, QLDC has concerns there is not enough ambition in ERP2 and that the "least-cost" approach may make future emissions budgets difficult to achieve, and result in an inequitable transition to a low carbon future. Council urges central government to not delay action that may cost New Zealand more in the long-term. It is vital that the climate emergency is addressed in conjunction with the ecological emergency, and that opportunities that provide co-benefits, such as nature-based solutions, are prioritised.

QLDC would like to highlight recent advice from the Climate Change Commission's first GHG emissions reduction monitoring report² that notes a significant risk that New Zealand will not meet future emissions budgets without sustained emissions reductions, particularly in the transport and agricultural sectors. Reducing emissions is urgent and QLDC recommends a proactive approach demonstrating leadership, to ensure future emissions budgets can be met, and that transition to a low carbon future is fair and equitable for all New Zealanders.

Nā māua noa, nā,



Pennie Pearce
Acting General Manager, Strategy and Policy

¹ Analysis: When might the world exceed 1.5C and 2C of global warming? - Carbon Brief

² [Climate Change Commission \(2024\). Monitoring report: Emissions reduction. Assessing progress towards meeting Aotearoa New Zealand's emissions budgets and the 2050 target. July 2024](#)

1.0 Context of the MfE discussion document in relation to the Queenstown Lakes District

- 1.1 The Queenstown-Lakes district (**QLD or the district**) has an average daily population of 70,205 (visitors and residents) and a peak daily population of 99,220. By 2053, this is forecast to increase to 150,082 and 217,462 respectively.³
- 1.2 The district's residents are highly climate-conscious and passionate about the integrity of the environment, participating in climate action, sustainability and conservation initiatives. **Vision Beyond 2050** is the community's vision for the district including becoming a zero-carbon community that sets the standard for regenerative, low-impact living, working and travel.⁴
- 1.3 In June 2019, the Council **declared a climate and ecological emergency** and has put in place a Climate and Biodiversity Plan that focuses on reducing emissions, preparing for climate adaptation and promoting biodiversity restoration.⁵ The **2022-2025 Climate and Biodiversity Plan** sets out 70 actions to address the biodiversity, climate adaptation, and climate mitigation goals of the plan. QLDC has a mitigation goal of 44% reduction in greenhouse gas emissions by 2030⁶ and net-zero greenhouse gas emissions from all gases by 2050.
- 1.4 Climate action is a key element of the QLDC **Spatial Plan 2021-51**.⁷ The Spatial Plan is an output of the Whaiora Grow Well Partnership, which is an Urban Growth Partnership between central government, Kāi Tahu, QLDC and Otago Regional Council. The Spatial Plan sets out the partnership's long-term approach to grow well, 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.
- 1.5 Kāi Tahu, as mana whenua of the district, and QLDC are committed to working in partnership with the seven papatipu rūnaka with shared interests in the district. This includes protecting and restoring the district's natural and physical environments so they provide for the wellbeing of future generations.
- 1.6 The Queenstown-Lakes is one of Aotearoa New Zealand's premier visitor destinations, drawing people from around New Zealand and the world. Tourism and the visitor economy play a substantial role in the economy of the district and of Aotearoa New Zealand. The Regional Tourism Organisation (**RTO**) area accounted for 17% of all international guest nights in New Zealand with only 0.7% of the country's resident population in the 2023-24 year.⁸
- 1.7 QLDC is a partner, alongside local RTOs and a new Destination Management Organisation, to the Destination Management Plan: "**Travel to a thriving future: Regenerative Tourism Plan**".⁹ The Regenerative Tourism Plan is designed to work towards attracting values-driven visitors to the district and ensuring they are served by products that drive down their carbon footprint as far as possible. This plan contains the ambitious target to decarbonise the Queenstown-Lakes visitor economy by 2030. The roadmap to achieve this world-first goal is highly contingent on decarbonisation of the district's transport system.

³ <https://www.qldc.govt.nz/community/population-and-demand>

⁴ [Vision Beyond 2050](#)

⁵ [Climate and Biodiversity Plan 2022-2025](#)

⁶ Against a 2019 baseline

⁷ [Spatial Plan - QLDC](#)

⁸ [MBIE accommodation data programme](#) and [StatsNZ](#)

⁹ [The Plan | Regenerative Tourism by 2030 \(queenstownnz.co.nz\)](#)

2.0 The Government's overall approach to ERP2

- 2.1 The “least cost” approach outlined in ERP2 does not consider the long-term environmental costs, or the risks from deferring what needs to be done now, at greater cost in the future. It also doesn't take into account the cost of meeting the country's international obligations. QLDC urges central government to consider the true cost implications over the longer term, not just to 2030.
- 2.2 Councils and communities are at the frontline of climate change mitigation and adaptation and will bear the brunt of its impacts. In the face of increasing severe weather events, ratepayers are faced with rising costs to repair and upgrade infrastructure and councils are grappling with the issue of who pays for adaptation action. Central government must account for the distributional impact and cost of its climate policies on local government, and where appropriate, provide funding, tools and support to local councils. Failure of central government to support upfront investment in low emissions solutions could result in stranded assets, lock in high emissions assets, or both.
- 2.3 One of the main barriers to decarbonisation is high upfront capital costs. Without adequate targeted central government funding into decarbonisation, effective transition is likely to be delayed, disruptive and in the long term more costly. Failure to support an equitable transition that enables low carbon products and technology to be accessible and affordable, develops workforce skills and supports those most vulnerable to transition, will contribute to disjointed and potentially more costly emissions reduction measures.
- 2.4 The market-led approach of ERP2 is unlikely to deliver investment in fair and equitable solutions that are needed to support all New Zealanders transition to a low carbon future. QLDC recommends the continuation of ERP1 actions relating to an equitable transition (Appendix 3 of the discussion document).
- 2.5 Additionally, under its Te Tiriti obligations, the central government is required to ensure Māori interests and rights. Māori are disproportionately exposed to primary industries which in turn increases exposure to climate risk, but also holds strong opportunities for innovation.
- 2.6 The Nationally Determined Contribution (**NDC**) requires New Zealand to find a larger amount of abatement than the first two emissions budgets are set to deliver (p. 12 Fig 0.1). The third emissions budget is estimated to be 17 Mt CO₂e over budget. Both these statements provide a clear indication that ERP2 needs to be more ambitious to maximise emissions reductions in the short term. Deferring emissions reduction until ERP3 would make the third budget more challenging to achieve and potentially more costly to New Zealand in the long term, having a greater impact on younger people.
- 2.7 QLDC agrees with the Climate Change Commission that alignment is needed across many pieces of legislation, including but not limited to the Local Government Act 2002 and the reforms of the Resource Management Act 1991. The currently disjointed transport and urban development planning systems and insufficient funding and financing tools for infrastructure projects also warrant attention. QLDC is taking a strategic approach to development of infrastructure via the Queenstown Lakes Spatial Plan 2021.

3.0 System Plans: Strengthening the Emissions Trading Scheme and funding of climate measures

- 3.1 QLDC supports a strong and predictable Emissions Trading Scheme (ETS) as a key tool for driving investment in emissions reduction. Central government needs to ensure that the ETS is driving gross emissions reductions, rather than placing an over-reliance on offsetting and non-indigenous forestry.
- 3.2 The consultation document notes the risk that the ETS may not encourage enough reductions or removals to achieve and sustain net zero from the mid-2030s onwards (p. 20 Fig. 3.2). This is further confirmation that ERP2 needs to be more ambitious, to reduce future reliance on the ETS for emissions reduction.
- 3.3 QLDC does not agree with a greater focus on forestry removals over gross emissions reductions. A focus on forestry removals increases the risk of future losses/emissions from wildfire, which will be exacerbated by climate change. Other unintended consequences of increased non-indigenous forestry planting such as biosecurity risk, rural community resilience, export revenues and employment, will also need to be carefully managed so they are not irreversibly locked in. Within the district, exotic plantation forests have been a source of wilding species which threaten protected landscape values, indigenous ecosystems and increase wildfire risk.
- 3.4 Long-term cost savings will be achieved with gross emissions reductions, whereas prioritising removals prolongs the cost to New Zealand. There is also the significant cost of international offsets to meet the NDC, that has no material payback to New Zealand's long-term transition, and recent controversy on the viability of offsets brings a significant financial and reputation risk¹⁰.
- 3.5 It is disappointing that revenue, previously hypothecated in the Climate Emergency Response Fund, has been redirected to general spending. The loss of funding support via the Climate Emergency Response Fund and National Resilience Plan means that the national "least cost" approach will mean more of these costs will be borne by ratepayers at a local level. Due to high visitor numbers, the Queenstown Lakes District has a small rating base for the infrastructure and services it is required to provide¹¹, and therefore vulnerable to climate change impacts on infrastructure in particular.

4.0 Sector Plan: Energy

- 4.1 QLDC supports the ambition of the ERP2 energy sector plan to provide a secure and affordable electricity supply to enable industry, businesses, and households to electrify. However, central government's policy to enable this through faster and cheaper consents for renewable electricity generation is lacking both in detail and engagement with local government consenting bodies.
- 4.2 The QLD's electricity needs are met almost entirely from the national grid.¹² The district faces a complex electricity challenge due to limited capacity of the infrastructure, its topography, landscape values and protections, seismic risk of the landscape, rapid increases in energy demand and the affordability of asset investment and maintenance programmes. Currently, the district has significant vulnerabilities to disruptive shocks to the transmission network and insufficient capacity to manage the expected increased electricity demand from decarbonisation activities.
- 4.3 A systems approach is needed to meet electrification needs of the district through increased supply, reduced demand and improved resilience.

¹⁰ [Weston, J. Climate Venture Capital Fund](#)

¹¹ 63 visitors for every resident to the year ending June 2023 -Data Ventures, [Stats NZ](#)

¹² [Queenstown Lakes Carbon Zero Discussion Paper 3369ba2f-9d38-432a-9255-83de6c18162f.pdf \(simpleviewinc.com\)](#)

- 4.4 The QLD has to balance both complex resilience issues with the need to protect our most critical natural asset – ninety seven percent of the district is classified as outstanding natural landscape or feature, or national park. The district needs strong direction to be provided through a consolidated national planning framework under the new resource management system, to ensure that electrification is appropriately planned for and enabled in the right place at the right time.
- 4.5 At the same time as planning for the national grid, it is Council’s position that enabling smaller and community scale renewable electricity generation will be critical to the success of the decarbonisation plans for the QLD, including the Climate and Biodiversity Plan and the Destination Management Plan. This type of decentralised and more flexible electricity generation will enable the district to increase capacity and provide additional resilience in the face of shocks.

5.0 Sector Plan: Transport

- 5.1 In the QLD, transport is the largest source of GHG emissions, accounting for 45% of emissions. Of this, 60% is road transport, and 38% is aviation. QLDC has a major 75.01% shareholding in Queenstown Airport Corporation.
- 5.2 Decarbonising transport is one of the key levers for reaching emissions reduction targets and mitigating the impacts of climate change. A fundamental shift is needed in the way people and goods are moved to ensure the impacts of climate change on communities is reduced. There are opportunities for central government investment to improve inter-regional transport connections in the South Island.
- 5.3 The QLD has significant traffic congestion issues, particularly around built-up areas, due to a geographically constrained road network, rapid population growth and significant visitor numbers. This necessitates investment in transport alternatives that take cars off the road, such as public transport, active travel networks and policies that encourage mode shift. The current winding back of investment in active travel routes is disappointing, and should be reinstated.
- 5.4 Whilst QLDC supports the central government's commitment in ERP2 to invest in major public transport projects, it is disappointing that no projects in the South Island are included in the proposed list. The geographical constraints on the district’s road network necessitate an efficient and affordable public transport system for residents and visitors in Queenstown and Wānaka. Central government investment in public transport projects in the district would have the added benefit of supporting economic productivity and enhancing the visitor experience.
- 5.5 Whilst QLDC welcomes the move to target installation of 10,000 EV chargers nation-wide by 2030, this will not help with the district’s current (and forecast) traffic issues. It is also not supported by complementary policies to encourage EV uptake. As outlined above, the district has unique energy capacity and resilience issues that need to be considered to ensure the network can cope with upgrading the EV network. The EV network also needs to enable inter-regional connections.
- 5.6 Public transport investment planning must be integrated with housing and land use planning. This will be crucial to maximising efficiency and delivering a high-functioning transport system at the least cost to New Zealanders. QLDC encourages central government to work with councils and LGNZ as public transport investment and policy are being developed.
- 5.7 Introducing public transport to rural communities presents real challenges and is not yet viable in many locations. The public transport investment system needs to be flexible enough to allow local communities to develop solutions that work for them in their place. For example, central government should work with territorial and regional authorities to support rural public transport alternatives such as mini-vans or on-demand services.

- 5.8 Decarbonising the aviation sector is a significant challenge as there is not yet a clear pathway to achieve gross emissions reductions in aviation, including the feasibility and viability of sustainable aviation fuel. QLDC supports the central government’s move to establish Sustainable Aviation Aotearoa to support decarbonisation of the aviation sector and position New Zealand to be able to take advantage of the opportunities that will arise.
- 5.9 However, as solutions to decarbonise the aviation industry may be some years away, this highlights the need to rapidly decarbonise other parts of the transport sector, for which there are already technological and policy solutions available.

6.0 Sector Plan: Agriculture

- 6.1 QLDC agrees with implementing a fair and sustainable pricing system for agricultural emissions, which should be done urgently. Council also agrees with accelerating the development and commercialisation of emissions-reduction tools and technologies. However, the sector should not rely on new technologies to reduce emissions until these are proven and feasible.
- 6.2 A sustainable pricing system for the agricultural sector should also consider the best mechanism to support retaining and enhancing indigenous vegetation that provides sequestration, biodiversity and soil and water quality benefits.
- 6.3 QLDC supports the Climate Change Commission’s view that the second emissions reduction plan must also deliver on the 2030 biogenic methane target¹³.

7.0 Sector Plan: Forestry

- 7.1 As outlined under the risks associated with the ETS, unintended consequences relating to incentives for greater forestry planting need to be carefully managed. Councils hold comprehensive mapping data and information that will be essential in making decisions around where forestry should be enabled, and what forestry types are the most conducive with achieving broader environmental outcomes including biodiversity, land stabilisation, water, cultural and socio-economic benefits.
- 7.2 The QLD has limited land available suitable for afforestation. Ninety-seven per cent of the district is categorised as either an outstanding natural landscape/feature or in conservation estate, limiting the amount of suitable land for exotic afforestation.¹⁴ QLDC’s District Plan has specific provisions to protect the district’s distinctive landscapes, natural environments and ecosystems, to avoid the spread of wilding exotic vegetation and protect significant indigenous vegetation and fauna habitats.
- 7.3 QLDC’s Climate & Biodiversity Plan 2022-2025 has the biodiversity goal “the mauri (life force or essence) of our ecosystems is protected and restored. Indigenous biodiversity is regenerated.” Coronet Forest is an example of the early harvest of a plantation forest that was a source of wilding pines, which is now being reforested with indigenous species through collaboration with mana whenua and others.
- 7.4 QLDC encourages central government to explore other incentives to encourage CO₂ removals from forestry, including native forestry. Council supports a Voluntary Carbon Market framework that would support more public-private collaboration, provide greater assurance of integrity and certainty, and scale up climate activity in Aotearoa New Zealand. Opportunities exist to drive climate mitigation actions

¹³ [Climate Change Commission \(2024\). Monitoring report: Emissions reduction. Assessing progress towards meeting Aotearoa New Zealand’s emissions budgets and the 2050 target. July 2024.](#)

¹⁴ [qldc-carbon-sequestration-study-final-report.pdf](#)

outside of the ETS, which can be leveraged through voluntary carbon markets.

8.0 Sector Plan: Waste

- 8.1 QLDC welcomes the proposal in ERP2 to engage with the waste sector on the management of organic waste streams and encourages central government to work closely with the WasteMINZ Territorial Authorities Officers' Forum on progressing options for reducing emissions from waste.
- 8.2 Keeping organic material out of landfills not only reduces methane emissions but creates additional benefits for communities. These benefits are being explored locally through a three-year MfE and QLDC co-funded community composting project.
- 8.3 QLDC supports the continued use of the Waste Minimisation Fund (**WMF**)¹⁵ to reduce the pressure and cost on local government to develop waste infrastructure including organic waste processing facilities, kerbside organic collection bins and promotional service material. Recent analysis identified that 59% of QLDC kerbside refuse collection material is food scraps and green waste¹⁶. QLDC is committed to implementing kerbside organics collection in its Long Term Plan to reduce landfill emissions, disposal costs, and extend the capacity of the local landfill. The proposal has received widespread community support, and central government is encouraged to reconsider mandating food scraps collection nationally as part of ERP2.
- 8.4 It is critical that investment is included in ERP2 for initiatives at the top of the Zero Waste Hierarchy, not only once waste has been created. This includes initiatives such as prevention of food waste at source (e.g. Love Food Hate Waste), the rescue of edible food (e.g. KiwiHarvest) and the reuse of textiles, construction and demolition materials. QLDC funds multiple local initiatives which would benefit from a more coordinated nationwide approach and support.
- 8.5 QLDC supports progress on policies and actions to enable the prevention and separation (and subsequent emissions reduction) of construction and demolition materials going to landfill. Recent analysis identified that 34% of waste in local landfills was generated by the construction and demolition sector¹⁶. Using the WMF to invest in sorting and processing infrastructure for construction and demolition materials will reduce the emissions associated with the breakdown of these materials in landfill.
- 8.6 The QLD is committed to moving towards zero waste, as outlined in QLDC's Waste Minimisation and Management Plan 2018¹⁷, the Climate & Biodiversity Plan and the Destination Management Plan. Central government support is needed to reduce the creation of waste at a national level rather than deal with waste emissions once waste is created. QLDC recommends that central government support partnerships between local government, the private sector and the community to reduce waste emissions.
- 8.7 QLDC agrees with the commitment to invest in resource recovery infrastructure, and systems to incentivise alternatives to landfill disposal. In relation to landfill gas capture, it is important this does not remove the incentive to reduce waste in the first place.

¹⁵ Funding for Councils for Kerbside Organic Waste Collection Services

¹⁶ WasteNot Consulting (2024). Analysis of Solid Waste Composition in Queenstown Lakes District. March 2024

¹⁷ Waste Minimisation and Management Plan (2018)

RECOMMENDATIONS

- R1. The ERP2 needs more ambition to maximise emissions reduction in the short-term, to ensure future emission budgets are achievable, and avoid increased costs and greater impacts on future generations.
- R2. Reinstate ERP1 actions (Appendix 3) relating to an equitable transition.
- R3. Central government ringfences ETS revenue for climate-related spending, in particular to support local government climate mitigation and adaptation.
- R4. Central government provides national direction to support renewable electricity generation in consultation with local government to ensure that local authorities are able to address specific local constraints, issues and opportunities. At the same time, capacity constraints in the national grid need to be addressed to enable electrification goals to be met.
- R5. Reinstate investment in alternative modes of transport such as active travel routes and invest in public transport projects for key South Island urban areas such as Queenstown and Wānaka.
- R6. Explore incentives outside the ETS to retain and enhance indigenous biodiversity and encourage native forestry.
- R7. Central government supports partnerships between local government, the private sector and the community to reduce waste emissions.