

Submission: Climate Change Commission - Draft Advice for Consultation

26 March 2020

Introduction

The Sustainable Business Network (SBN) is New Zealand's oldest and largest network for sustainable business. We currently work with and on behalf of more than 600 organisations nationwide.

This submission represents the views of SBN as an organisation. It is not necessarily those of all of the organisations and individuals in its network. However, we have sought feedback from some of them in the creation of this submission.

SBN has been calling for robust action on climate change since its inception in 2002. We are now in a climate emergency, facing a direct and immediate threat to our livelihoods and our way of life. However, the global shift to a low carbon circular economy also presents unprecedented opportunities for New Zealand businesses. Currently New Zealand is a slow follower on tackling climate change. But we can still demonstrate global leadership if we take courageous and radical action now.

SBN is generally supportive of the Vision contained in the draft. We applaud the recent, albeit belated, passing of a Climate Change Response (Zero Carbon) Amendment Act, and the creation of the Commission. In part our submission focuses on the extent to which the Advice itself will deliver on that Vision. It assesses how well it meets the aspirations of New Zealand people and their businesses. In some areas we believe more radical and holistic solutions are needed.

The key points of our submission:

- **We acknowledge the pressure for the Advice to be “financially affordable, technically feasible and socially acceptable”.** However, we seek to highlight where this framing has overly narrowed or artificially limited the purview of the report. This is especially apparent with regards to the opportunities provided by technological development and innovative practices. For example, significant land use changes as well as ‘blue carbon’ initiatives in the oceans.
- **We are disappointed in the relatively modest proposals to tackle New Zealand’s two most urgent emission reduction priorities – transport and agriculture.** We would like to see greater emphasis on avoiding personal car use and its associated infrastructure. We would like to see greater emphasis on the shift to non-car modes of travel and onto shared models of transport, including car share. In agriculture we would like to see more done to consider alternative and regenerative modes of farming. We would like to see greater exploration of economic models to incentivise the retiring of currently marginal farm land (‘in-setting’), including wetlands, waterways and catchment heads.
- **The full economic, social, psychological and spiritual benefits of taking robust action on climate change are barely referenced in the report.** This suggests they remain under-valued and poorly understood. These include substantial health benefits of dietary change, exercise and reduced air pollution, which would also translate directly into savings in our health systems. This is an area we would like to see the Commission and Government place more emphasis on in the future.

- **The government should consider the need for a nationwide communications plan to ensure the challenges and benefits of this transition are well understood.** There is now a significant consensus towards positive action that we need to build on. However, New Zealand companies are missing global supply chain opportunities because our systems are lagging behind those of some of our competitors and would-be partners. Reframing the key information to focus on opportunities would help secure active engagement in all communities across the country.
- **The Climate Change Commission should have its remit extended to include the monitoring, reporting and reduction of consumption-based emissions.** New Zealand people are some of the world's largest consumers of resources per capita. It is important that this is reflected. This is how we will take, and be seen to take, globally equitable action on climate change.
 - This should include acknowledgement and efforts to address 'leakage', where emissions intensive activities are moved offshore.
 - An initial step towards this is the inclusion of international aviation and shipping in the budgets and targets. We would like to see happen at the scheduled review in 2024, if not before.
- **There needs to be commensurate robust policy and regulation shifts within the financial sector.** This, for example, could include greater greenhouse gas emissions disclosure requirements, including 'schedule two' emissions generated by the sector's investments. It could also mean a more robust plan for government disinvestment in high emitting industries and sectors.
- **It is vital that the climate change actions put in place for New Zealand are not limited to reducing the pressure on natural systems. There is an urgent need to regenerate them.** For this reason we support the advice for replanting efforts to shift focus to large scale native rewilding as fast as possible. Much wider natural regeneration efforts, across New Zealand's landscapes, waterways and oceans, should be considered.
- **There is a need for greater innovation to make it easier for more sectors of our society to assist in tackling climate change.** This should include greater work to recognise emissions reductions at organisational and community level. It could also mean greater innovation around localised carbon offsetting options.
- **We support a stronger emphasis on Te Ao Maori framing.** This is a culturally, historically and geographically appropriate manner to emphasise nature's role in the restoration and maintenance of balance.
- **We welcome the vision of New Zealand as a circular economy, generating very little waste.** However, to achieve that, and the associated carbon emissions savings, requires a circular approach to the whole of economy. The focus on a circular economy cannot be exclusive to the waste sector. It must be enabled across all business activity. This means designing out waste and pollution at source. It means keeping materials in high value use and regenerating natural systems.
- **We recommend corresponding changes in the way Government Agencies work to encourage/enforce cross agency collaborations and co-funding.** These currently often present barriers to effective action and innovation.

Our answers to submission questions:

(where the question is not addressed, we take no formal view at this time)

Principles to guide our advice (p.30)

1. Do you support the principles we have used to guide our analysis? Is there anything we should change, and why?

We SUPPORT the principles in general, especially Principle 2 - a focus on emissions reductions not removals and carbon credits.

However, we RECOMMEND the establishment of a principle that opportunities will emerge through the development of new technologies and practices, enabling more ambitious targets.

We RECOMMEND that proper consideration of the Precautionary Principle in light of the seriousness of the threat posed by climate change and related environmental issues. This may include the necessity of taking more radical, uncertain, or pre-emptory actions.

Emission Budget Levels (p.31)

2. Do you support budget recommendation 1? Is there anything we should change, and why?

We DO NOT SUPPORT the recommendation, as it only represents the bare minimum.

For CO₂, the budgets are not consistent with achieving a 50% reduction in emissions by 2030, as described in the IPCC report [Global warming of 1.5°C](#).ⁱ The gross emission reduction by Budget 3 (2031-35) is only 37% below 2018 levels.

For nitrous oxide, the budgets are very modest, with only a 14% reduction by Budget 3.

For methane, the budgets represent only a 16% reduction by Budget 3 - just on track to meet the lower limit (less ambitious) end of the target range by 2050 (24%-47% below).

We RECOMMEND Budgets for long-lived gases and biogenic methane that align with, as a minimum, the middle of the interquartile ranges signalled by the IPCC.

Break down of emissions budget (p.33)

3. Do you support our proposed break down of emissions budgets between gross long-lived gases, biogenic methane and carbon removals from forestry? Is there anything we should change, and why?

We SUPPORT the proposed breakdown. We believe there are valid scientific arguments for maintaining this distinction. However, this heightens New Zealand's responsibility to demonstrate genuine, holistic consistent and pioneering efforts to tackle biogenic methane emissions. This must include exploring regenerative agricultural practices. Otherwise, others may make the rational assumption that our argument is really economic, or that we have simply put agriculture in the 'too hard basket'.

For New Zealand to continue to maintain this distinction its rationale must remain robust, transparent and consistent. This will reduce the scope for it to be used as a 'political football'.

Limit on offshore mitigation for emissions budgets and circumstances justifying its use (p.38)

4. Do you support budget recommendation 4? Is there anything we should change, and why?

We SUPPORT the recommendation. There should no offshore mitigation in the first three budgets (i.e. to 2035). We recognise their potential value in supporting the efforts and innovations of other nations, particularly in the developing world. However, such mitigations

have a track record of forestalling the required changes needed in this country and its economy. They tend to divert investment away from them. In addition, since offshore mitigation systems and processes remain in their infancy there remains a danger of them being ineffective and poorly monitored, if not actually fraudulent.ⁱⁱ

Cross-party support for emissions budget (p.39)

5. Do you support enabling recommendation 1? Is there anything we should change, and why?

We SUPPORT the recommendation. However, a lack of cross party support should not be a reason to forestall action on climate change, specifically actions in line with the Advice of the Commission.

Coordinate efforts to address climate change across Government (p.40)

6. Do you support enabling recommendation 2? Is there anything we should change, and why?

We SUPPORT the recommendation, especially the need for dedicated funding for climate policy implementation.

We SUPPORT funds to encourage the testing and trialling of new forms of mitigation utilising natural systems. These should include 'blue carbon' efforts in our oceans and biodiversity-based interventions on land.

Genuine, active and enduring partnership with iwi/Māori (p.42)

7. Do you support enabling recommendation 3? Is there anything we should change, and why?

We SUPPORT the recommendation. Successful climate action in New Zealand will require a careful marrying of Te Ao Māori and western scientific approaches.

Central and local government working in partnership (p.44)

8. Do you support enabling recommendation 4? Is there anything we should change, and why?

We SUPPORT the recommendation. Local government has a crucial role to play in climate mitigation, especially in our major cities. It will need more support from central government. This may include changes to funding to enable the necessary investment.

Establish processes for incorporating the views of all New Zealanders (p.44)

9. Do you support enabling recommendation 5? Is there anything we should change, and why?

We SUPPORT the recommendation. The Citizens' Assembly should be seriously considered. There is also a need for mechanisms to effectively communicate the complexities of the challenges and associated opportunities.

Locking in net zero (p.49)

10. Do you support our approach to focus on decarbonising sources of long-lived gas emissions where possible? Is there anything we should change?

We SUPPORT the recommendation to focus on decarbonising sources of long-lived gases, rather than relying on expanded exotic plantations. As technology develops there should be opportunities for further reductions in gross long-lived gas emissions in the sectors where decarbonisation is currently difficult or impossible.

11. Do you support our approach to focus on growing new native forests to create a long-lived source of carbon removals? Is there anything we should change, and why?

We SUPPORT a shift from exotic plantations to native forests. We believe the regeneration and rewilding of natural forests is fundamental to stabilising and rejuvenating our way of life. It has priceless ecological, psychological, cultural and spiritual significance and importance. There is an urgent need for increased support and incentives to accelerate this process.

We RECOMMEND the Commission and government include natural wetlands in these considerations. They are important and largely overlooked carbon sinks, as well as ecological treasures in their own right.

Our path to meeting the budgets (p.70)

12. Do you support the overall path that we have proposed to meet the first three budgets? Is there anything we should change, and why?

We SUPPORT the overall path. Our specific comments on this are included in the responses to questions 14 to 18 below.

An equitable, inclusive and well-planned climate transition (p.103)

13. Do you support the package of recommendations and actions we have proposed to increase the likelihood of an equitable, inclusive and well-planned climate transition? Is there anything we should change, and why? (Pages 79 to 103 – Time-critical necessary action 1 and Necessary action 1)

We SUPPORT the proposed actions, especially transition planning and improving the evidence base for, and quantification of, co-benefits.

We SUPPORT the consideration of the effects on small businesses and the development of plans to address them.

Transport (p.110)

14. Do you support the package of recommendations and actions for the transport sector? Is there anything we should change, and why? (Pages 106 to 110 – Time-critical necessary action 2 and Necessary actions 2 to 4)

We DO NOT SUPPORT these recommendations, because they should go further.

We SUPPORT the need for central government to support local government to implement the necessary policies and infrastructure. This includes enhanced funding.

We also SUPPORT:

- The package of measures to accelerate EV uptake.
- Measures to increase rates of public and active transport.
- Measures to accelerate the electrification of the light vehicle fleet are welcome.

This includes the proposed ban on conventional car imports in the early 2030s.

However, in dealing with the challenge of personal vehicles the hierarchy should be:

- Avoid (the need for travel and its associated infrastructure, including roading and parking space).
- Shift (to non-car modes).
- Improve (e.g. shift to EVs and car share schemes).

The 2035 targets for increasing rates of public and active transport are too modest and uninspiring, given current rates are so low.

There should be a stronger focus on reducing travel demand and shifting from private vehicle use to shared use vehicles, public transport, inter-city rail, as well as walking, cycling and e-biking and scootering.

There is a need for measures to encourage shorter supply chains, to reduce international and domestic freight demand.

Heat, industry and power sectors (p.118)

15. Do you support the package of recommendations and actions for the heat, industry and power sectors? Is there anything we should change, and why? (Pages 113 to 117 – Time-critical necessary action 3 and Necessary actions 5 to 10)

We SUPPORT the idea of focusing on a renewable energy target, rather than the renewable electricity target, and setting that target to 60% by 2035 as a minimum, plus the creation of a strategy to achieve it.

We SUPPORT the focus on converting low and medium heat installations from fossil fuels, especially coal, to electricity and biomass.

We SUPPORT the concept of a phase out of fossil fuels, including new gas connections by 2025.

We RECOMMEND that this include a ban on all new coal mines, at least by a set date, and an immediate ban on the mining of conservation land.

We SUPPORT the acknowledgement of the importance of urban form on emissions. However, this needs more specific actions and timeframes.

We DO NOT SUPPORT the current target for energy efficiency improvements in buildings, as it should be more ambitious than a 2% improvement per year.

We RECOMMEND the government explore and develop the methodology outlined in “A science-based approach to setting climate targets for buildings: The case of a New Zealand detached house.”ⁱⁱⁱ

We RECOMMEND greater incentives and support for energy efficient modes of living, including co-housing and shared/collective ownership.

Agriculture (p.121)

16. Do you support the package of recommendations and actions for the agriculture sector? Is there anything we should change, and why? (Page 119 – Time-critical necessary action 4 and Necessary action 11)

We DO NOT SUPPORT the recommendations, as they are too conservative. There is too much focus on adjusting the status quo with wider adoption of good practice, rather than transformative technologies and practices.

There is a call for a cohesive national strategy for land use (considering water, biodiversity and climate). But there is no mention of organic farming in the main report, with one odd reference to regenerative agriculture, in relation to genetic engineering. The potential for some diversification is covered (pastoral to horticulture and arable farming). But the report supports the continuation of a largely pastoral intensive farming economy. This is inherently unsustainable and carbon intensive.

We SUPPORT the recommendation to review and update processes and regulatory regimes to facilitate deployment of new technologies and practices. However, the budgets have been set on the basis of more extensive adoption of existing technologies and best practice. This overlooks the potential of new mitigation technologies and practices. Many of these are ready

for adoption, and would support much more ambitious targets and budgets. These include regenerative/restorative/matauranga Māori farming practices.

We RECOMMEND the Commission undertakes further research into the full potential of regenerative/restorative/matauranga Māori farming practices in New Zealand to reduce and mitigate greenhouse gas emissions.^{iv}

Forestry (p. 124)

17. Do you support the package of recommendations and actions for the forestry sector? Is there anything we should change, and why? (Page 123 – Time-critical necessary action 5 and Necessary action 12)

We SUPPORT the intention to transition from a focus on plantation forests to permanent native forests as the means to sequester carbon. This approach has several key benefits. These include ensuring there is adequate focus on emission reductions in other sectors, the ecological co-benefits from native forestry (water quality, biodiversity) and a myriad of economic and well-being benefits from the regeneration of the nation's landscapes.

We SUPPORT the approach to developing a package of policies to enable this, including crucial and urgently needed amendments to the Emissions Trading Scheme.

Waste (p. 126)

18. Do you support the package of recommendations and actions for the waste sector? Is there anything we should change, and why? (Page 125 – Necessary action 13)

We SUPPORT the recognition of the urgent need to transition to a circular economy, where materials are never abandoned to become waste and pollution. However, to achieve this a circular approach needs to be embedded in all businesses operations, not just those directly connected with 'waste'.

We SUPPORT increases in the waste levy, monitoring circularity, extending mandatory product stewardship schemes and improving data collection via legislation.

We RECOMMEND taking a wider, cross-agency approach to develop a design-led circular economy for New Zealand. This includes educating and training the workforce with skills like design for reuse and remanufacture.

We DO NOT SUPPORT the target of reducing emissions from landfill by 15% by 2035, we believe this is not enough.

Multisector strategy (p. 134)

19. Do you support the package of recommendations and actions to create a multisector strategy? Is there anything we should change, and why? (Pages 126 to 134 – Time-critical necessary action 6 and Necessary actions 15 to 19)

We SUPPORT the proposed recommendations to integrate policy and its implementation across government. Effective integration between central and local government is critical. The new resource management legislation will be crucial.

We SUPPORT the need for a specific focus on behaviour change. Effective communication will be one aspect of this. However, there is also a need to better understand and apply attitudinal change in complex contexts.^v

We SUPPORT the mandatory disclosures for all investments (including loans) over a defined threshold.

We SUPPORT Time Critical Necessary Action 6 to ensure new infrastructure must be consistent with a net zero pathway.

We SUPPORT Time Critical Necessary Action 7 to strengthen the Emissions Trading Scheme, especially an increase in the cost containment and auction reserve trigger prices, and improved market governance.

Rules for measuring progress

20. Do you agree with Budget recommendation 5? Is there anything we should change, any why?

We SUPPORT the recommendation.

However, We RECOMMEND Statistics New Zealand continues to develop a more robust consumption-based measure to complement the production-based approach. These measures will be required to ensure global climate action is equitable and based on all real world emissions.

Nationally Determined Contribution (NDC) (p.154)

21. Do you support our assessment of the country's NDC?

Do you support our NDC recommendation?

We SUPPORT the assessment of the NDC. We agree that the current NDC is not compatible with the spirit of New Zealand's Paris Agreement commitments. The current NDC sits within the range compatible with limiting warming to 1.5°C. But it is relatively likely that the 1.5°C target will be exceeded if this is pursued. This also fails to address our moral obligation to do more than less developed nations to tackle greenhouse gas emissions.

We SUPPORT the idea that the revised NDC should be “much more than 35% below 2005 gross levels by 2030” (our emphasis). A 35% reduction is at the midpoint of reductions (Table 8.2). This leaves a reasonable probability of overshoot, as well as not meeting our moral obligations.

We SUPPORT the Commission's position that setting a stronger target (greater than 35%) requires careful consideration by decision-makers. There will be a need to balance a range of factors, including trading effects. However, we argue that a stronger target is needed.

Reporting on and meeting the NDC

23. Do you support our recommendations on reporting on and meeting the NDC? Is there anything we should change, and why?

We SUPPORT the recommendation that the bulk of the NDC reduction should be achieved through domestic reduction and removals, with a focus on reductions. There remain uncertainties in the availability and efficacy of offshore mitigation mechanisms. We think there is more scope for additional domestic reduction if stronger mitigation policies are implemented.

We SUPPORT the Commission's recommendation for the government to develop and implement plans to access and purchase offshore mitigation, including measures to ensure transparent reporting. Again, our preference is to for investment in local mitigation, reduction and offsets.

We also note the need to avoid undermining the NZ ETS price signal, as this will play a crucial role in driving domestic reduction actions.

ⁱ IPCC, 2018: Global warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty [V. Masson-Delmotte, P. Zhai, H. O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J. B. R. Matthews, Y. Chen, X. Zhou, M. I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, T. Waterfield (eds.)]. In Press.

ⁱⁱ <http://morganfoundation.org.nz/new-report-climate-cheats/>

ⁱⁱⁱ *A science-based approach to setting climate targets for buildings: The case of a New Zealand detached house* Chanjief Chandrakumar, Sarah J. McLaren, David Dowdell, Roman Jaques, Building and Environment Volume 169, February 2020, 106560, bit.ly/3tsB5Y6

^{iv} For example, see: www.calmthefarm.nz/impact-science

^v Examples would include the work of Dr Tom Crompton of the [Common Cause Foundation](#).