

Submission: Te hau mārohi ki anamata – Transitioning to a low-emissions and climate-resilient future

24 November 2021

Introduction

The Sustainable Business Network (SBN) is Aotearoa New Zealand's largest, longest standing sustainable business organisation. We currently work with, and on behalf of, more than 600 organisations nationwide.

We welcome the opportunity to contribute to the emission reduction plan process. This submission represents the views of SBN as an organisation, not on behalf of our network.

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 Aotearoa New Zealand is a slow follower on tackling climate change. However, we can still demonstrate global leadership if we take courageous and radical action now. We urge the government to produce an ambitious emissions reduction plan commensurate with the urgency and scale of the situation.

The key points of our submission:

- **We acknowledge the urgency of the situation and the need for a comprehensive and ambitious emissions reduction plan.** This must meet, and even exceed, the current emissions targets and budgets (especially up to 2030). We urge greater ambition so that we can meet the majority of our updated NDC through domestic emissions reductions, rather than relying on overseas carbon credits.
- **We acknowledge the work to date of the Minister and his team, as well as the Climate Change Commission.** It lays a strong foundation for meaningful progress, but must be backed by comprehensive and concerted action across government, in partnership with civil society and iwi.
- **We express disappointment with the reported gap in emissions reduction for the first budget period (circa 2.1 to 5.1 million tonnes).** This is a sad reflection on the multi-decade delay in policy development and implementation. We urge a concerted effort across the whole of Government to develop an emissions reduction plan which addresses this gap in the short-term, as well as laying the foundation of the required 2030 target.
- **We are very supportive of the framing of the emissions reduction strategy within a circular economy perspective.** The discussion document goes some way to recognising this need and we encourage this to be further embedded within the emissions reduction plan.
- **We emphasise the need for climate policies which support positive environmental and biodiversity outcomes – nature-based solutions.** The twin challenges of the climate and biodiversity crises are inextricably linked. We support the clear recognition of this link within the discussion document, and urge this to be retained as a key principle in all policy development. An important component will be developing value recognition mechanisms, such as biodiversity credits, which complement carbon credits.

- **We caution against an exclusive focus on production-based emissions and recommend appropriate consideration of consumption-based emissions.** A circular economy approach emphasises the need to consider life-cycle emissions, including emissions embodied in imported goods and services. Our national emissions targets are based on production emissions (i.e. emissions occurring within our borders). But, we must consider wider consumption-based emissions, and ensure there aren't unintended consequences from a production-based focus. A good starting point would be to integrate consumption-based reporting alongside production-based reporting, acknowledging there are limitations with consumption-based estimates at present.
- **We support the recognition of the need to engage all stakeholders, including the critical role of business.** However, the foundation for comprehensive and effective action is a strong regulatory and policy framework which must be provided by the government (primarily central, but also local). In that context it is disappointing that the burden of achieving the first emissions budget has somewhat been passed to business, community, iwi and individuals.
- **We are pleased to see the recognition of the importance of behaviour change.** However, it needs to be emphasised that widespread adoption of climate-positive behaviours will only be achieved if the necessary system conditions are in place e.g. making the use of public and active transport a more appealing and efficient alternative to private car use in our cities. This requires a facilitative regulatory framework and investment in infrastructure.
- **We support the changes made to the Emissions Trading Scheme (ETS) in recent years but more is needed.** We agree on the critical importance of emissions pricing to drive the transition, supported by a full range of complementary measures to address non-price barriers. We urge further strengthening of the ETS, including accelerated reduction in free allocation, the inclusion of agricultural on-farm emissions in the ETS, and further limitations on the cost containment provisions. We echo the concern expressed by the Climate Change Commission regarding perverse incentives for converting agricultural land to exotic plantations. We highlight the need for a broader range of measures to incentivise native afforestation and other alternatives, such as biodiversity credits.
- **We applaud the comprehensive transport-related policy proposals, and largely support the proposals.** Transport has to be a key focus for immediate action. Transitioning our light and heavy vehicles to electric and other clean technologies is essential. But, as recognised in the discussion document, mode shift is also essential.
- **We are disappointed with the limited coverage of agriculture in the document.** Whilst acknowledging the reference to the He Waka Eke Noa Primary Sector Climate Action Partnership, we had expected much more detail, given the sector makes up more than 50% of our national emissions when including on-farm and off-site processing activity. We acknowledge the contribution that the sector makes to our economy. However, a transformative approach is needed to address the environmental challenges (including climate-related) arising from our current farming models. There are many good examples of forward-thinking farmers making positive change, we just need the system to incentivise and support the majority to follow the same path.
- **We are pleased to see the recognition that buildings and construction have a major role in emissions reduction.** We support the focus on reducing embodied carbon as well as operational emissions. It is essential that we raise the standards for both residential and commercial buildings, given that the current weak standards lock in higher energy use and emissions for 50+ years.
- **We emphasise the need for better data systems.** Comprehensive and high quality data is essential to improve understanding of problems and opportunities, and to enable good decision-making. Current limitations include material and waste flows, and disaggregated production and consumption-based emissions, such as industry sectoral and size breakdowns. We acknowledge the work currently underway in some of these areas, but urge a strong commitment and resourcing to these improvements. On a related matter, we would like to see greater visibility for the reporting

of international aviation and maritime emissions, such as alongside the annual reporting of our national emissions inventory.

Meeting the net-zero challenge

Transition pathway

1. Do you agree that the emissions reduction plan should be guided by a set of principles? If so, are the five principles set out above the correct ones? Please explain why or why not.

We strongly agree that the plan should be guided by a set of principles. The five principles are on the right track. We have the following specific comments:

- Prioritise gross emissions reduction - as the Commission noted, the focus should be on actual reductions rather than relying on forestry removals. We think this should be explicitly included in the principles.
- Reference the circular economy explicitly in the principles table - this could be a dedicated principle or subsumed within an existing principle. This could reference the circular economy principles: design out waste and pollution; keep products and materials in use; and restore natural systems.
- Appropriate consideration of embodied emissions within imported goods - the plan is focused on reducing our production-based emissions. But it is critical that our reduction plan considers embodied emissions within imported goods - this could be a new principle, or subsumed within an existing principle (e.g. the fifth listed principle)
- Explicitly recognise the importance of behavioural change - this is implicit within the fifth principle (design effective policies) but would benefit from an explicit reference.
- Recognising that opportunities will emerge through the development of new technologies and practices, enabling more ambitious plans and action. The emissions reduction planning framework needs to facilitate this.

We are interested to know how will these principles will be incorporated into decision-making.

2. How can we enable further private sector action to reduce emissions and help achieve a productive, sustainable and inclusive economy? In particular, what key barriers could we remove to support decarbonisation?

The private sector will engage effectively and efficiently when there is regulatory certainty and policy consistency, together with appropriate incentives, especially to address barriers which are not responsive to emissions pricing. With a strong framework in place, including critical infrastructure, the private sector can use its creativity and drive to develop new solutions and business models.

3. In addition to the actions already committed to and the proposed actions in this document, what further measures could be used to help close the gap?

No specific comments in addition to related comments included elsewhere in this submission.

4. How can the emissions reduction plan promote nature-based solutions that are good for both climate and biodiversity?

In the emissions pricing section, we comment about the weaknesses of the current ETS and related settings resulting in new plantations which have negative environmental and social outcomes. There

need to be safeguards within the ETS and/or other policy and regulatory frameworks which avoid these perverse outcomes and support nature-based solutions.

More research is needed to determine the full ecosystem services benefits and carbon sequestration rates for native forests, wetlands, and blue carbon compared to the prevalent use of radiata pine plantations. A longer term view is encouraged to prioritise indigenous biodiversity supporting options. A system to create and monetise nature/biodiversity credits as a higher net value alternative to the current ETS could significantly shift and accelerate investment back into Aotearoa New Zealand so we take responsibility for our own emissions rather than pay others overseas. A holistic view that integrates climate change objectives with biodiversity outcomes is encouraged to address both crises.

5. Are there any other views you wish to share in relation to the Transition Pathway?

We support the vision for the transition pathway. However, we must not be satisfied with the current targets and budgets. The Climate Change Commission noted that its emission budgets are at the less ambitious levels e.g. biological methane reduction. The higher NDC has also raised an expectation from the public that this means stronger domestic emissions reductions. The COP26 agreement has left some uncertainty over how much of our NDC can be covered by overseas carbon credits. The science is clear on the emission reductions needed. All of this points to the need for increasing ambition for our targets and plans.

Helping sectors adapt

6. Which actions to reduce emissions can also best improve our ability to adapt to the effects of climate change?

Some nature-based solutions, like wetlands restoration and mangrove protection, have the potential to reduce emissions as well as help adapt to the effects of climate change.

7. Which actions to reduce emissions could increase future risks and impacts of climate change, and therefore need to be avoided?

An over-reliance on exotic plantations and overseas carbon credits to meet our emissions obligations (under the CCRA and our NDC) increases risks, as it will defer the essential speedy transition to a low carbon economy.

Working with our Tiriti partners

The questions in this section are not applicable to SBN. However, we support a full partnership with Māori in the approach to emissions reduction. As part of this, we support the incorporation of Te Ao Māori philosophy and principles. The solutions to our twin crises of climate change and biodiversity loss require holistic thinking which a Te Ao Māori approach brings.

Making an equitable transition

13. Do you agree with the objectives for an Equitable Transitions Strategy as set out by the Climate Change Commission?

We support the objectives, 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 plans to address them.

We support the need for careful monitoring, including a forward research programme, analysis of policies and inviting stakeholders to provide real time feedback.

We encourage public participation in climate action. This is key in identifying priority areas and ensuring action is inclusive and beneficial for community groups and vulnerable communities.

We encourage Government to think about how climate resilient infrastructure can be distributed fairly and include disadvantaged communities.

The objective relating to minimising unequal impacts in all new policies should be reframed. We suggest that minimising unequal impacts does not go far enough. Policies should be designed to address and reduce inequalities where possible.

14. What additional measures are needed to give effect to the objectives noted by the Climate Change Commission, and any other objectives that you think should be included in an Equitable Transitions Strategy?

Further support from central Government is required on top of the measures listed.

We strongly agree with the need to support nature-based employment and advocate for additional funding to support this work.

15. What models and approaches should be used in developing an Equitable Transitions Strategy to ensure that it incorporates and effectively responds to the perspectives and priorities of different groups?

In our submission to the Climate Change Commission we suggested the idea of a citizens' assembly on climate change. This approach has worked well in other countries to address key contentious issues where the population has wide-ranging views and knowledge levels. This format, or a similar body, can give broad legitimacy to policy decisions. Of course, time is of the essence with climate change so such an assembly would need to operate in parallel with policy development and implementation.

16. How can Government further support households (particularly low-income households) to reduce their emissions footprint?

No specific comments in addition to related comments included elsewhere in this submission.

17. How can Government further support workers at threat of displacement to develop new skills and find good jobs with minimal disruption?

No specific comments in addition to related comments included elsewhere in this submission.

18. What additional resources, tools and information are needed to support community transition planning?

No specific comments in addition to related comments included elsewhere in this submission.

19. How could the uptake of low-emissions business models and production methods be best encouraged?

The most effective way to encourage an uptake of such models and methods is for Government to take bold action in systems change. As we have outlined in the behaviour section of our submission, uptake

of new models and methods will not happen at scale until systems provide and support climate-positive behaviours. A facilitative regulatory framework and supporting infrastructure is essential for this, such as measures which incentivise the shift to a circular economy.

Our systems need to transition so that the 'green' option is the easy and affordable option. We also know that public education on climate action will be a key factor in encouraging behaviour change.

20. Is there anything else you wish to share in relation to making an equitable transition?

No.

Aligning systems and tools

Government accountability and coordination

21. In addition to the Climate Change Commission monitoring and reporting on progress, what other measures are needed to ensure government is held accountable?

We support the role of the Commission in monitoring and reporting on progress. We support the work to embed a low emissions focus within government procurement.

The concept of a citizens' assembly, or similar representative group, could have a useful role to play and contribute to consensus building for the transition.

22. How can new ways of working together, like mission-oriented innovation, help meet our ambitious goals for a fair and inclusive society and a productive, sustainable and climate-resilient economy?

We support a mission-oriented approach, provided it is very well defined and focuses on areas where Aotearoa New Zealand has a current, or potential, competitive advantage.

Land use and developing nature-based solutions are clear opportunity areas. Appropriate funding is required to encourage the testing and trialling of new forms of mitigation utilising natural systems.

A systems based approach, incorporating holistic thinking (including Te Ao Māori) and the involvement of a range of stakeholders in this work is essential.

23. Is there anything else you wish to share in relation to government accountability and coordination?

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.

It is essential that new infrastructure is consistent with a net zero pathway.

Funding and financing

24. What are the main barriers or gaps that affect the flow of private capital into low-emissions investment in Aotearoa?

Typically key barriers include an uncertain regulatory environment and limitations in identifying and evaluating low emissions investment opportunities.

The new mandatory reporting legislation, and other government measures, are providing a more certain regulatory environment.

Challenges investors are facing when looking to invest more responsibly include the integrity of data and avoiding greenwashing organisations. By encouraging trustworthy and standardised reporting amongst all organisations, private capital can be more confidently invested in low emission goods and services. The new mandatory reporting requirements will be vital in tackling this challenge.

Understanding risk is also a major barrier that affects the flow of capital. Again, trustworthy and standardised reporting will allow the market to understand and price these risks. Understanding a company's long term strategic plan and how it will impact and be impacted by climate change is vital in developing this understanding.

If the Government sets clear and ambitious climate policies, this will provide a greater level of certainty to the market and drive private investment. Ambitious policies will facilitate faster paced transition to a new sustainable financial system.

25. What constraints have Māori and Māori collectives experienced in accessing finance for climate change response activities?

No specific comment, except that we recognise the importance of this.

26. What else should the Government prioritise in directing public and private finance into low-emissions investment and activity?

Public finance should be directed towards critical low emissions public infrastructure. It can also support the private sector for key low emissions investments which struggle to attract private investment, e.g. through an expanded NZGIF. However, with a facilitative regulatory environment then the need for such public funding should reduce over time.

Small-to-medium enterprises (SMEs) often struggle to obtain finance, including for low emissions assets. In addition, as SMEs primarily borrow from banks or find equity from private investors or family, there tends to be less pressure from their financiers to incorporate ESG principles into the business. If incentives and benefits were available, there would be an uptake in sustainable practices by these organisations. The flow-on effect of the mandatory reporting requirements of banks should begin to influence SMEs in this area. There could be opportunities for other mechanisms to help finance SMEs to engage effectively in the transition.

We would like the Government to consider requiring all KiwiSaver funds to divest from fossil fuels, not just the default funds.

We support the use of ETS funds towards low emissions investment. We also acknowledge the positive impact that the new mandatory climate-related disclosures legislations will make.

27. Is there anything else you wish to share in relation to funding and financing?

We acknowledge the work so far, across government and the private sector. There are now key measures in place which signal the direction e.g. mandatory reporting. But, we need further measures to ensure the transition happens at the required pace.

Emissions pricing

29. *What emissions price are you factoring into your investment decisions?*

No comment to make, SBN is not directly affected by the ETS.

30. *Do you agree the treatment of forestry in the NZ ETS should not result in a delay, or reduction of effort, in reducing gross emissions in other sectors of the economy?*

Yes, we strongly agree. It is essential that emitters should focus efforts on reducing emissions, especially in the easier to abate sectors, rather than continuing to rely on the availability of NZUs from exotic mono-culture plantations. There is evidence that current ETS and related settings are resulting in new plantations which have negative environmental and social outcomes. There need to be safeguards within the ETS and/or other policy and regulatory frameworks which avoid these perverse outcomes and support nature-based solutions. We support the concept of 'new forests of the right type, in the right place and for the right purpose'.

31. *What are your views on the options presented above to constrain forestry inside the NZ ETS? What does the Government need to consider when assessing options? What unintended consequences do we need to consider to ensure we do not unnecessarily restrict forest planting?*

We strongly support changes to the ETS that will address some of the current limitations which lead to unsuitable new exotic plantations. We support the consideration of the measures proposed by the Climate Change Commission (page 38), but would also like to see measures which incentivise native afforestation. This would create wider biodiversity benefits. Current ETS rules do not facilitate many afforestation activities, such as SBN's Million Metres Streams riparian planting initiative.

32. *Are there any other views you wish to share in relation to emissions pricing?*

We support the changes made to the ETS in recent years. We agree on the critical importance of emissions pricing to drive the transition, supported by a full range of complementary measures to address non-price barriers. We urge further strengthening of the ETS, including accelerated reduction in free allocation, the inclusion of agricultural on-farm emissions and further limitations on the cost containment provisions e.g. higher ceiling price. We must avoid the 'gaming' of the system, such as occurred in the July 2021 auction.

We recognise the urgent need for a wider range of removal activities to be available within the ETS, especially those which deliver other social and environmental co-benefits. We acknowledge the current limitations in quantifying removals in areas like soil carbon and blue carbon. We encourage the Government to prioritise appropriate investigation into these opportunities.

Planning

33. *In addition to resource management reform, what changes should we prioritise to ensure our planning system enables emissions reductions across sectors?*

It is critical that climate mitigation and adaptation are prime objectives for the new resource management legislation.

Other measures include emissions impact quantification for planning decisions, improving data systems, setting strong expectations for Crown entities, supporting partnerships, and providing a framework which enables and supports local Government to make decisions which reduce emissions.

The existing National Policy Statement framework can be used to:

- facilitate emission reductions across sectors;
- prohibit or limit activities that seriously degrade the natural environment or contribute significantly to carbon emissions; and
- provide a streamlined process for activities that are vital to a transition to a low carbon economy e.g. wind and solar. Amenity effects should be discounted if not seriously limited in consideration, and effects on affected landowners (neighbours) could be limited in some way when assessing applications for such activities.

The Covid-19 Recovery (Fast-track Consenting) Act 2020 provides a template to create a process to expedite consenting activities, like solar and wind farms, that are vital to a transition to a low carbon system.

Ensure that all other acts and future bills that relate to consenting / planning decisions are strengthened or drafted to provide for emission reductions across all sectors. This includes the Urban Development Act 2020 and Covid-19 Recovery (Fast-track Consenting) Act 2020.

34. What more do we need to do to promote urban intensification, support low-emissions land uses and concentrate intensification around public transport and walkable neighbourhoods?

The National Policy Statement on Urban Development (NPS-UD) will work to address this but can only go so far in this sense. There needs to be prioritisation of all of these activities by local and regional authorities.

Government should closely watch how land use changes in response to the NPS-UD, and make amendments where necessary to further encourage intensification around public transport and walkable neighbourhoods.

As previously mentioned, policies could be introduced to increase the speed and ease of consenting activities that significantly contribute to emissions reductions.

35. Are there any other views you wish to share in relation to planning?

Broadly speaking, more medium and high density development needs to be provided. The planning system must be better at providing for such development. Aotearoa New Zealand continues to lock in higher emissions because of our low density living.

The urgent need to build houses can affect the quality of builds. This pressure on housing leads to poorer quality buildings using materials with a higher carbon footprint and poor thermal quality. Again, this trend means we are locking in higher emissions.

Our general ad-hoc approach to development, especially in brownfield sites, does not facilitate re-development which enhances streetscape and ecosystems. We must find ways of protecting and enhancing urban trees and other natural ecosystem features.

As the requirement for minimum parking rules are removed, streets are being inundated with parked cars. This reduction in onsite parking means alternative transport options need to be delivered swiftly. Further details are included in the transport section of this submission.

Research, science and innovation

36. What are the big challenges, particularly around technology, that a mission-based approach could help solve?

Please refer to our response to Question 41.

37. How can the research, science and innovation system better support sectors such as energy, waste or hard-to-abate industries?

Please refer to our response to Question 41.

38. What opportunities are there in areas where Aotearoa has a unique global advantage in low-emissions abatement?

Please refer to our response to Question 41.

39. How can Aotearoa grow frontier firms to have an impact on the global green economy?

Are there additional requirements needed to ensure the growth of Māori frontier firms?

How can we best support and learn from mātauranga Māori in the science and innovation systems, to lower emissions?

Please refer to our response to Question 41.

40. What are the opportunities for innovation that could generate the greatest reduction in emissions? What emissions reduction could we expect from these innovations, and how could we quantify it?

Please refer to our response to Question 41.

41. Are there any other views you wish to share in relation to research, science and innovation?

We recognise the crucial role for research, science and innovation to support the transition to a low carbon circular economy. Greater public and private sector investment is urgently needed. We support the focus on system-wide collaboration involving the public and private sectors, and the key role for Te Ao Māori and holistic approaches to inform this work.

Generally we support investment into developing low emissions sectors and technologies (including frontier firms), as well as innovation to address emissions intensive sectors. When considering emissions-intensive sectors, it is important to avoid excessive focus on looking for technical solutions, when the best option could be to avoid the problem in the first place e.g. diversification in agriculture. A Te Ao Māori holistic approach is of value here.

With limited funds it is essential that there is focus on areas where Aotearoa New Zealand has competitive advantage and specific challenges and opportunities, rather than where we are a technology taker benefitting from overseas developments.

General opportunity areas include:

- Circular economy – developing new business models e.g. sharing models; new renewable materials; reuse, repair and remanufacturing capability
- Energy – ‘smart’ energy control systems (including electric vehicle charging)
- Construction – enhanced timber-based multi-level building technology
- Energy and transport – second and third generation biofuel technologies e.g. using forestry waste
- Agriculture – transition to regenerative farming, including diversification, lower input models and enhancing soil carbon
- Forestry and land use – methods which improve the commercial viability of native afforestation (including riparian planting)

- Carbon and biodiversity credits – related to the above, mechanisms which incentivise nature-based offset solutions

Another critical area is improving our data infrastructure, including material and waste flows and carbon emissions. Generally, current systems are limited. Better quality data will enable good decision-making.

Behaviour change – empowering others to act

42. What information, tools or forums would encourage you to take greater action on climate change?

SBN's prime audience is SMEs. Typically smaller businesses are time and resource poor. They need simple clear information to help make the right decisions. They also need the right incentives and enabling infrastructure. Please see our response to Question 44 which highlights the need for facilitative systems.

Our focus is on providing tools and resources (such as the Climate Action Toolbox and a circular economy directory) that facilitate good decisions.

The free Climate Action Toolbox has become a trustworthy source of information for many businesses. It helps businesses develop a climate action plan. Many businesses require more support. We also run workshops on climate action to help businesses maximise the benefits from the Toolbox. Only a small percentage of businesses are prepared to pay for such workshops. Subsidised, or free workshops are needed to reach the majority.

43. What messages and/or sources of information would you trust to inform you on the need and benefits of reducing your individual and/or your businesses emissions?

People are more likely to undertake a change or action where they can see an example of a relatable person who has undertaken the action.

We have found that case studies are an effective way to encourage action in this sense. For example, we have a number of case studies included in the Climate Action Toolbox, but want to improve the range and sophistication of them to encourage a broader group of people to take action.

44. Are there other views you wish to share in relation to behaviour change?

We are pleased to see the recognition of the importance of behaviour change. However, it needs to be emphasised that widespread adoption of climate-positive behaviours will only be achieved if the necessary system conditions are in place e.g. making the use of public and active transport a more appealing and cost-effective alternative to private car use in our cities. Our systems need to transition so that the green option is the easy and affordable option.

Effecting positive behaviour change is difficult. There is a need to better understand and apply attitudinal change in complex contexts.

We also know that public education on climate action will be a substantial factor in encouraging behaviour change, using techniques such as those [here](#).

Government should invest in public campaigns to educate people about the effects of climate change and action. But, it is key that these campaigns use a range of messenger types to reach different audiences. We suggest that trustworthy sources of information are invested in and promoted e.g. the Climate Action Toolbox and SBN's circular economy resources.

A combination of empowering and enabling people to make change i.e. providing the right infrastructure and incentives, as well as education and using 'nudge' techniques, will be the most effective way to support this.

Moving Aotearoa to a circular economy

45. Recognising our strengths, challenges, and opportunities, what do you think our circular economy could look like in 2030, 2040, and 2050, and what do we need to do to get there?

A circular economy in NZ by 2050 (latest) would have the following features:

1. Collaborative systems

Businesses will no longer work in silos. Instead, collaboration between different businesses across all sectors will be widespread, enabling systemic change to take place at scale.

Manufacturers will utilise dematerialisation through doing more with less, sharing from a closed-loop pool of standardised circular resources.

Returns systems will be normalised and accessible.

2. Return to nature

At its best, nature thrives. It does not grow exponentially. Indigenous practices and knowledge, such as Mātauranga Māori, promote this ideology, treating nature not as a resource to take dominion over, but to nurture and live in harmony with. Businesses will prioritise restoring the mauri, the life-giving essence, of nature, treating it as sacred.

In the same way businesses will shift their definition of success from profit and growth to thriving. A simpler, values-led approach, will enable this to happen.

Government will take the same approach, moving away from GDP as a measure of success, and toward a holistic approach with regeneration at the centre.

Renewable energy will be the status quo. Fossil fuels will be ancient history.

3. Technology-based solutions

Converging technology will rapidly progress the circular economy, enabling systems of reusing, repurposing, repairing and remanufacturing at scale e.g. separating plastics for remanufacturing.

As a result of widespread digitisation, high quality digital assessments tools will be widely available, enabling businesses to reduce their impact and adopt more regenerative practices.

Technology will enable transparency around a product's life cycle and its components, with data capture systems to track material flows across the value chain including imports.

Product as a service will be an accepted and common way of accessing a product.

4. Circular economy focused consumers

Consumers will play an active role in the circular economy, having access to tools to help them promote the circular economy.

They will play a key role in closing the loop, being involved as suppliers, instead of being removed participants.

5. Government influence

Government, both local and national, will prioritise the circular economy and the regeneration of nature.

Legislation moving businesses towards circularity will be in force e.g. businesses will be legally required to take responsibility for the treatment of post-consumer products, or for disclosing the carbon footprint of a product.

What do we need to get there?

Co-ordinated action is needed across six key leverage points:

- **Design** - build business knowledge and capability to design products and services that support a circular economy
- **Demand** - provide the incentives for circular design by stimulating demand for more circular solutions via procurement policies and consumer communication campaigns.
- **Business models** - develop the supporting frameworks and incentives to unlock circular models, such as product as a service, enabling a move away from ownership to access of products.
- **Infrastructure** - develop the enabling infrastructure for a circular economy. This needs to be much more than recycling facilities. It needs to incorporate reverse logistics solutions along with reuse, repair and remanufacturing networks and facilities. The solutions need to be visible and accessible. They must be developed with the long term vision in mind so short term solutions do not lock us in to merely recycling waste materials.
- **Technology** - investment in both the development and enabling of strategic and practical application of enabling technologies, such as material tracking, 3D printing, AI, and predictive maintenance.
- **Policy and legislation** - a regulatory framework that incentivises a circular economy and disincentivises a linear one. Mandatory product stewardship, waste levy increases, right to repair legislation, tax incentives and investment in the other five leverage points.

The above vision has been developed by SBN's Go Circular 20/25 project, and its CE Cluster group, which includes many of Aotearoa New Zealand's leading circular-based businesses.

46. How would you define the bioeconomy and what should be in scope of a bioeconomy agenda?

We support the Climate Change Commission definition, enhanced with the comments in the discussion document (p.49).

What opportunities do you see in the bioeconomy for Aotearoa?

Due to our natural advantages Aotearoa New Zealand should strive for global leadership in the development of the bioeconomy. Using a regional economic cluster model and becoming a centre of excellence for the development and commercialisation of global bioeconomy opportunities. A clear focus should be on opportunities where we have a distinct competitive advantage and opportunities that deliver the highest economic and regenerative value.

Opportunities include:

- Supporting and incentivising a shift from exotic forestry to creating new sustainable native forest harvesting, targeting native hardwoods that don't require preservation treatment chemicals. This will provide ecosystem benefits and avoid massive impacts of sedimentation and waterway health from current exotic forest harvesting methods.
- Enabling access for mana whenua to source cultural materials and rongoa from reserves and protected areas, using mātauranga Māori/indigenous knowledge to ensure sustainable harvesting.
- Investing in restoring/cultivating seaweed for food, fertiliser and dairy cow supplements to reduce methane emissions.
- The Revive our Gulf project aims to restore lost mussel beds at scale across the Hauraki Gulf Tikapa Moana - this will generate a cleaner Hauraki Gulf and create an improved habitat and food supply for sustainable fish stocks.
- Investing in restoring whitebait spawning areas and native fish habitat in waterways. Healthy whitebait populations are a key driver of fish stocks in river and estuarine systems, providing traditional foods and supporting the commercial and recreational fishing industry.

47. What should a circular economy strategy for Aotearoa include?

An 'all of economy' approach addressing the six key leverage points covered in Question 45 response above.

Do you agree the bioeconomy should be included within a circular economy strategy?

Yes, it is a subset of the circular economy.

48. What are your views of the potential proposals we have outlined? What work could we progress or start immediately on a circular economy and/or bioeconomy before drawing up a comprehensive strategy?

We support the potential proposals. It is important to recognise that work is already underway. Multiple organisations are working towards a circular economy across and within sectors. SBN has recently launched Go Circular 2025 a public/private partnership to provide tools and resources for businesses to transition to a circular economy at scale. The first resource is the New Zealand Circular Economy Directory. This will play a pivotal role in profiling, connecting and creating new circular solutions for business. It is imperative that aligned work is supported, coordinated and augmented rather than replicated.

49. What do you see as the main barriers to taking a circular approach, or expanding the bioeconomy in Aotearoa?

The main barriers include:

- Business misunderstanding that the circular economy is only about recycling
- Businesses 'locked' into a linear system - it is difficult for existing businesses to retrofit linear business models into circular models.
- Lack of knowledge within business services (reporting, accounting, etc.) to support businesses in their transition.
- Investment/incentives for businesses to 'go beyond recycling' and make substantive changes to their operations, supply chains and product offerings.
- Access to life cycle analysis information to make the best low carbon decisions.
- Access to more circular materials and upstream solutions such as repair, reuse and recycling.
- Potential cost increases and lack of uptake by procurers.

- Consumerism.
- The Commerce Act making systems-based collaboration difficult.
- Lack of data on material flows. There's a need to understand outputs in order to redirect/rework them as inputs - need for transparency/waste reporting linked to climate.
- Lack of accessible supporting infrastructure e.g washing, sorting, redistribution facilities.
- Requirement for businesses to vertically integrate costs and processes to operate high up the waste hierarchy. These costs should be flipped.
- Need for standards, common terminology etc.

50. The Climate Change Commission notes the need for cross-sector regulations and investments that would help us move to a more circular economy. Which regulations and investments should we prioritise (and why)?

We are supportive of the recent and proposed legislation from the Ministry for the Environment, such as mandatory product stewardship, an increase in the landfill levy and banning of certain problematic materials.

Additional regulation should include:

- 'Right to repair' legislation which would have multiple benefits from product design, consumer behaviour and increase local repair and remanufacture.
- Mandatory waste reporting would provide quality data and enable more effective waste minimisation policy and practice.
- Updating the Commerce Act to enable more collaboration between competing organisations to enable system issues to be addressed fully.

Investments should be centred on unlocking the leverage points included in our response to Question 45.

As mentioned in our response to Question 49, we support investing in existing aligned initiatives, such as the Go Circular 2025 programme, to enable greater scale and impact.

51. Are there any other views you wish to share in relation to a circular economy and/or bioeconomy?

No further comments.

Transitioning key sectors

Transport

52. Do you support the target to reduce VKT by cars and light vehicles by 20 per cent by 2035 through providing better travel options, particularly in our largest cities, and associated actions?

We support reducing the reliance on cars and the shift to public and active transport modes, especially in our larger cities. We support a strong target to reduce car and light vehicle use, greater than the proposed 20 per cent by 2035. The shift to non-car options can also be facilitated by the availability of car sharing for those wanting to move away from car ownership. Collectively, these measures deliver lower emissions and benefits such as better health and lower congestion.

53. Do you support the target to make 30 per cent of the light vehicle fleet zero-emissions vehicles by 2035, and the associated actions?

We support a strong target for zero emissions vehicles in the light vehicle fleet, greater than the proposed 30 per cent by 2035. We support the recommended actions, as well as those already introduced (clean car standards and discount). It is essential that our ambition is consistent with international leaders so that we are not at risk of continuing to be the 'dumping ground' for inefficient, higher emitting vehicles.

Increased investment in EV charging infrastructure is needed to build on the good work to date by the private sector (especially Charge.net), with funding from government. Providing prospective EV owners with good information about the adequacy of home charging for most of their everyday needs is essential to dispel some of the myths. The uptake of EVs can also be facilitated by the easy availability of car share for occasional longer distance trips.

We support changes to the tax system which incentivise the transition, such as removing the tax advantages (FBT exemption) for some high emitting light commercial vehicles, as well as fairer treatment for higher priced electric models e.g. basing FBT for EVs on the value of equivalent ICE models.

54. Do you support the target to reduce emissions from freight transport by 25 per cent by 2035, and the associated actions?

We support a strong target for reducing emissions from freight transport, greater than the proposed 25 per cent by 2035. Clean technology options for heavy vehicles are developing quickly and can be expected to make this a viable target. We also support a strategic mode shift to rail and coastal shipping. Another key element is reducing the need for long supply chains through local supply, where possible. The limitations with long supply chains have been shown in the past 12-18 months.

55. Do you support the target to reduce the emissions intensity of transport fuel by 15 per cent by 2035, and the associated actions?

We support a strong target for reducing the emissions intensity of conventional transport fuel. We would like to see more ambition, well beyond a 15% improvement. This can be enabled by various measures, including biofuel blends,

56. The Climate Change Commission has recommended setting a time limit on light vehicles with internal combustion engines entering, being manufactured, or assembled in Aotearoa as early as 2030. Do you support this change?

If so, when and how do you think it should take effect?

We support the 2030 target. This will align Aotearoa New Zealand with other leading countries. It will also help ensure we are not at risk of continuing to be the 'dumping ground' for inefficient, higher emitting vehicles. Global light vehicle production systems are likely to enable such a target and we are well placed to maximise the lower emissions potential of electrification given our highly renewable grid.

57. Are there any other views you wish to share in relation to transport?

Our approach to reducing emissions from transport should be based on the 'Avoid, Shift, Improve' approach. The best option is to avoid the need in the first place, where possible, such as working from home (to avoid commuting), using remote meeting technology (to avoid flying), or buying locally made products (to minimise freight emissions). Second best is to shift to clean(er) transport options like EVs,

public transport and, lastly, is to improve the performance of conventional transport e.g. use of biofuels, more efficient use, etc.

Given the key role that local Government plays in providing transport infrastructure, we support appropriate funding from central Government to support local Government to implement the necessary policies and infrastructure.

Urban form is a key factor for transport demand. Sprawling, low density development increase demand and reduces the viability of public and active transport options. Integrated policy is needed to avoid locking in car dependency, as well as minimising the need for carbon-intensive infrastructure.

We welcome the acknowledgement of the health benefits, in addition to the positive economic outcomes, from electrification and reducing car dependency.

Energy and industry

58. In your view, what are the key priorities, challenges and opportunities that an energy strategy must address to enable a successful and equitable transition of the energy system?

We support the three elements of an energy strategy as recommended by the Climate Change Commission. Including the phase-out of fossil fuels (page 84).

We also suggest the strategy has a core focus on managing and minimising energy demand, in addition to the transition to clean energy.

We support the accelerated conversion of low to medium heat installations from fossil fuels to clean energy sources including biomass and electricity.

59. What areas require clear signalling to set a pathway for transition?

We support the strong signal for the phase-out of fossil fuels, such as new gas connections and coal for electricity and industrial heat. We support setting ambitious dates for these phase-outs, including an immediate ban on new coal boilers or upgrades.

60. What level of ambition would you like to see Government adopt, as we consider the Climate Change Commission's proposal for a renewable energy target?

We strongly support the introduction of a renewable energy target, and for it to be the primary energy-related target, supported by the renewable electricity target. We would like to see a more ambitious target for 2035 than the 50% recommended by the Commission.

We support the aspiration for the 100% renewable electricity target, but recognise the current challenges around that. However, as technology advances (especially battery, biofuels and hydrogen technology) there should be further opportunities to accelerate decarbonisation. A target regime must have the flexibility to respond to these developments.

61. What are your views on the outcomes, scope, measures to manage distributional impacts, timeframes and approach that should be considered to develop a plan for managing the phase out of fossil gas?

The most important point is that there needs to be early, strong and consistent signalling of the phase-out to enable businesses and households to make the right decisions and avoid stranded assets. For

industry/business scenarios where alternatives are not viable for longer-term assets (hard-to-abate scenarios), support could be offered, but these should be the exception.

62. How can work underway to decarbonise the industrial sector be brought together, and how would this make it easier to meet emissions budgets and ensure an equitable transition?

We recognise the importance of co-ordinated action, but have no specific comments.

63. Are there any issues, challenges and opportunities for decarbonising the industrial sector that the Government should consider, that are not covered by existing work or the Climate Change Commission's recommendations?

We recognise the challenges faced by some industrial sectors, and the risk of leakage if policies are not well-designed. However, this must not be a reason for inaction.

64. In your view, should the definition of a large energy user for the purposes of the proposed Energy and Emissions Reporting scheme include commercial and transport companies that meet a specified threshold?

We support the proposed reporting scheme, including commercial and transport companies. This approach is consistent with the 'you manage what you measure' dictum. The scheme would also help to improve the existing limited emissions data infrastructure.

65. We have identified a proposed threshold of 1 kt CO₂e for large stationary energy users including commercial entities. In your view, is this proposed threshold reasonable and aligned with the Government's intention to meet emissions budgets and ensure an equitable transition?

The threshold seems high. We would like to see more businesses having an obligation to report on their emissions. As mentioned above, this would be consistent with the 'measure and manage' principle, and so drive more action by more businesses. It would also improve our emissions data infrastructure. We do note, however, the need for an efficient data collection system to minimise the overhead for businesses.

66. In your view, what is an appropriate threshold for other large energy users such as transport companies?

Refer to answer for Question 65.

67. Are there other issues, challenges or opportunities arising from including commercial and transport companies in the definition of large energy users for the purposes of the proposed Energy and Emissions Reporting scheme that the Government should consider? Supporting evidence on fleet size and characteristics is welcomed.

No specific comment.

68. What level of support could or should Government provide for development of low-emissions fuels, including bioenergy and hydrogen resources, to support decarbonisation of industrial heat, electricity and transport?

We welcome the current funding initiatives. But, we would like to see the funding pools increased to support more businesses in priority settings to accelerate the uptake of clean energy solutions.

69. Are there any other views you wish to share in relation to energy?

No further comment.

Building and construction

70. The Climate Change Commission recommended the Government improve the energy efficiency of buildings by introducing mandatory participation in energy performance programmes for existing commercial and public buildings. What are your views on this?

We support the call for mandatory energy performance programmes. Much of the current commercial and public building stock will exist for many decades. A formal programme will help to raise awareness of the need to improve energy use efficiency. It would facilitate the implementation of cost-effective improvements in the short term, as well as identifying longer-term investment opportunities. Market-based measures, like carbon pricing through the ETS, can be inadequate due to the split incentives situation e.g. landlords not benefitting from lower bills arising from energy efficiency improvements.

71. What could the Government do to help the building and construction sector reduce emissions from other sectors, such as energy, industry, transport and waste?

The Government can support the sector in various ways, including mandating higher energy efficiency standards (to reduce emissions from the energy sector), encourage and support the installation of EV charging facilities in buildings, and facilitating the development of a circular approach to building materials.

72. The Building for Climate Change programme proposes capping the total emissions from buildings. The caps are anticipated to reduce demand for fossil fuels over time, while allowing flexibility and time for the possibility of low-emissions alternatives. Subsequently, the Climate Change Commission recommended the Government set a date to end the expansion of fossil gas pipeline infrastructure (recommendation 20.8a).

What are your views on setting a date to end new fossil gas connections in all buildings (for example, by 2025) and for eliminating fossil gas in all buildings (for example, by 2050)?

How could Government best support people, communities and businesses to reduce demand for fossil fuels in buildings?

We support the setting of a date to end new fossil gas connections in buildings in order to avoid the risk of stranded assets. An early timeframe, like 2025, seems reasonable given the availability of alternatives in most scenarios e.g. space and water heating, cooking. There seem to be limitations on the use of hydrogen gas within fossil gas infrastructure, so that is unlikely to be a reason to allow for new gas connections. We recognise the potential impact on some business service providers, and so support appropriate measures to ensure a 'just transition' for those significantly affected.

73. The Government is developing options for reducing fossil fuel use in industry, as outlined in the Energy and industry section. What are your views on the best way to address the use of fossil fuels (for example, coal, fossil gas and LPG) in boilers used for space and water heating in commercial buildings?

We note the performance-based approach as outlined in the Buildings for Climate Change programme for new buildings which provides a sinking lid approach on emissions approach. But, we're inclined to prefer the mandated approach recommended by the Commission (as Question 72 response). For existing buildings, we support measures to improve efficiency and support upgrades.

74. Do you believe that the Government's policies and proposed actions to reduce building-related emissions will adversely affect any particular people or groups?

If so, what actions or policies could help reduce any adverse impacts?

Refer to response for Question 72.

75. How could the Government ensure the needs and aspirations of Māori and iwi are effectively recognised, understood and considered within the Building for Climate Change programme?

We support action which appropriately considers the specific needs of Māori and iwi, but have no specific comments to make.

76. Do you support the proposed behaviour change activity focusing on two key groups: consumers and industry (including building product producers and building sector tradespeople)?

What should the Government take into account when seeking to raise awareness of low-emissions buildings in these groups?

In the behaviour change section we noted the need to address behaviour change within the context of broader system change. So, while we support the broad intent of the proposed actions, it will have minimal impact if carried out in isolation. For industry groups, an understanding of low carbon principles, practices and products should be embedded into core training programmes, rather than being an add-on.

77. Are there any key areas in the building and construction sector where you think that a contestable fund could help drive low-emissions innovation and encourage, or amplify, emissions reduction opportunities? Examples could include building design, product innovation, building methodologies or other

Improving the energy efficiency performance of existing buildings (residential and commercial) will be important to achieve our carbon targets. A contestable fund could help drive this work and develop cost effective methodologies and technologies.

78. The Ministry of Business, Innovation and Employment (MBIE) is considering a range of initiatives and incentives to reduce construction waste and increase reuse, repurposing and recycling of materials. Are there any options not specified in this document that you believe should be considered?

We strongly support the framing of action within a circular economy approach. To be effective actions need to be coordinated rather than piecemeal and intertwined with the full suite of actions to reduce carbon emissions in the sector.

As part of this whole-of-life approach, we welcome the consideration of embodied emissions of building materials (and their maintenance) and the need for optimal thermally efficient design techniques and materials.

Specific interventions include:

- Compulsory waste plans and waste minimisation targets for new builds.
- Developing facilities for consolidating, repurposing and distributing materials.
- Seed and support new, innovative businesses that can make use of and redistribute deconstruction and waste materials.

79. What should the Government take into account in exploring how to encourage low-emissions buildings and retrofits (including reducing embodied emissions), such as through financial and other incentives?

No further comment.

80. What should the Government take into account in seeking to coordinate and support workforce transformation, to ensure the sector has the right workforce at the right time?

There is a significant opportunity to enhance existing jobs with low carbon knowledge and skills, as well as retraining those working in 'sunset' job sectors. If this is carried out in a planned way then it should avoid the friction and conflict of an unplanned and laissez faire approach, where vested interests seek to protect high carbon-related jobs.

81. Our future vision for Aotearoa includes a place where all New Zealanders have a warm, dry, safe and durable home to live in. How can we ensure that all New Zealanders benefit from improved thermal performance standards for our buildings?

We support the provision of high quality homes but are not best placed to provide any specific comment.

82. Are there any other views you wish to share on the role of the building and construction sector in the first emissions reduction plan?

Improving energy use efficiency is important as it provides cost effective emissions reductions. Reducing electricity use within buildings plays an important role, even within a 95+% renewable grid, as it frees up capacity for the electrification of transport.

We welcome the acknowledgement of the health benefits, as well as the positive economic outcomes, from energy efficient housing and other buildings.

In addition, as mentioned earlier, we strongly support the framing of action within a circular economy approach. To be effective actions need to be coordinated rather than piecemeal and intertwined with the full suite of actions to reduce carbon emissions in the sector.

Agriculture

83. How could the Government better support and target farm advisory and extension services to support farmers and growers to reduce their emissions?

Regenerative farming methods are gaining support. This could be accelerated through Government investment in regenerative farming research and measurement of benefits and economic returns for changing to a regenerative farming model including: lower stocking rates, reducing application of synthetic fertilisers, fungicides and pesticides and focusing on rebuilding soil organic matter, diversification of crops and animals, and restoring nature through the protection of waterways and replanting native trees on unproductive land.

84. What could the Government do to encourage uptake of on-farm mitigation practices, ahead of implementing a pricing mechanism for agricultural emissions?

Recent reports have shown the range in emissions intensity between the higher and lower performing farms. There are many effective mitigation practices used by the higher performing farms. One of the problems is that these are not being adopted by the majority of farmers, for a variety of reasons. The defensive attitude adopted by some groups does not encourage wider adoption.

Government has a role to play in working with the sector to provide good quality information and training, showcase best practice, offer incentives, and generally set an effective and stable regulatory framework.

We support emissions pricing at the earliest opportunity, well before 2025, and favour the ETS option.

85. What research and development on mitigations should Government and the sector be supporting?

Refer to comments on regenerative farming above (Question 83).

86. How could the Government help industry and Māori agribusinesses show their environmental credentials for low-emissions food and fibre products to international customers?

Food retailers and customers in many key overseas markets are increasingly expecting their food to be produced in a sustainable and low carbon way. For example, the five main supermarkets in the UK have recently committed to halving the carbon intensity of the average supermarket shop by 2030.

Aotearoa New Zealand must not remain complacent with its assertion of being a relatively low carbon food producer. We must demonstrate meaningful efforts to significantly reduce the emissions intensity of our key food products, as well as diversify into low emissions produce. Showcasing those who are already leading in these areas is essential.

87. How could the Government help reduce barriers to changing land use to lower emissions farming systems and products? What tools and information would be most useful to support decision-making on land use?

More research on regenerative farming practices and measurement of how these practices reduce emissions.

88. Are there any other views you wish to share in relation to agriculture?

We are disappointed with the limited coverage of agriculture in the document. Whilst acknowledging the reference to the He Waka Eke Noa Primary Sector Climate Action Partnership, we had expected much more detail, given the sector makes up more than 50% of our national emissions when including on-farm activities and off-site processing. We acknowledge the contribution that the sector makes to our economy. However, a transformative approach is needed to address the environmental challenges (including climate-related) arising from our current farming models. There are many good examples of forward-thinking farmers making positive change, we just need the system to incentivise and support the majority to follow the same path.

Waste

89. The Climate Change Commission's recommended emissions reduction target for the waste sector significantly increased in its final advice. Do you support the target to reduce waste biogenic methane emissions by 40 per cent by 2035?

We support the increased ambition and the 40% reduction target.

90. Do you support more funding for education and behaviour change initiatives to help households, communities and businesses reduce their organic waste (for example, food, cardboard, timber)?

Yes, we support more funding but, as noted elsewhere in this submission (Question 44), it must be implemented with systems which facilitate the desired behaviour.

91. What other policies would support households, communities and businesses to manage the impacts of higher waste disposal costs?

As noted earlier, a circular economy strategy is needed to address the problem of waste at source i.e. reducing waste by good design.

92. Would you support a proposal to ban the disposal of food, green and paper waste at landfills for all households and businesses by 1 January 2030, if there were alternative ways to recycle this waste instead?

Yes, we support this proposal which can be achieved through the implementation of a circular economy strategy.

93. Would you support a proposal to ban all organic materials going to landfills that are unsuitable for capturing methane gas?

Yes, we support this proposal for all key organic sources of waste through a circular economy focused approach.

94. Do you support a potential requirement to install landfill gas (LFG) capture systems at landfill sites that are suitable?

Yes, in principle, but this need could be obviated if key sources of organic waste are diverted from landfill.

95. Would you support a more standardised approach to collection systems for households and businesses, which prioritises separating recyclables such as fibre (paper and cardboard) and food and garden waste?

Yes, this is urgently needed. It needs to have default settings while also being responsive to particular regional conditions.

96. Do you think transfer stations should be required to separate and recycle materials, rather than sending them to landfill?

Yes, we support this principle for the majority of material types. We support the wider adoption of extended producer responsibility measures to facilitate this e.g. mandatory product stewardship schemes.

97. Do you think the proposals outlined in this document should also extend to farm dumps?

98. Do you have any alternative ideas on how we can manage emissions from farm dumps, and waste production on farms?

99. What other options could significantly reduce landfill waste emissions across Aotearoa?

Adoption of a comprehensive circular economy strategy and associated measures, including an increase in the waste levy to incentivise diversion.

F-gases

100. Do you think it would be possible to phase down the bulk import of hydrofluorocarbons (HFCs) more quickly than under the existing Kigali Amendment timetable, or not?

We support the phase out of HFCs but have no specific comments to make.

101. One proposal is to extend the import phase down to finished products containing high-global warming potential HFCs. What impact would this have on you or your business?

We support this measure, but it has no direct impact on our organisation.

102. What are your views on restricting the import or sale of finished products that contain high-global warming potential HFCs, where alternatives are available?

In general we support such restrictions.

103. What are your views on utilising lower global warming potential refrigerants in servicing existing equipment?

We strongly support using ultra low GWP refrigerants in new equipment and also retrofitting into existing equipment, where practicable.

104. Do you have any thoughts on alternatives to HFC refrigerants Aotearoa should utilise (e.g. hydrofluoroolefins or natural refrigerants)?

No specific comments to make, but as mentioned in the response to Question 103 we support the use of alternatives.

105. Can you suggest ways to reduce refrigerant emissions, in combination with other aspects of heating and cooling design, such as energy efficiency and building design?

We have no specific comments to make, but note the important role for good thermal design in buildings, to minimise the need for heating and cooling. As mentioned in the Buildings and Construction section, higher mandatory standards are needed for thermal performance.

Forestry

106. Do you think we should look to forestry to provide a buffer in case other sectors of the economy under-deliver reductions, or to increase the ambition of our future international commitments?

We strongly support investment in native forest plantings (and wetland restoration) as the preferred method of carbon sequestration, given the dual benefits of tackling climate change and addressing biodiversity loss. Investment in a biodiversity credit system, as an alternative to current carbon credits, could make a huge contribution to Aotearoa New Zealand mitigating its emissions at home and also support a domestic nature-based economy.

107. What do you think the Government could do to support new employment and enable employment transitions in rural communities affected by land-use change into forestry?

If the government supported a strong preference to planting native forests for carbon sequestration, rural communities could also create nature-based employment through enterprises such as honey production, use of cultural materials, rongoā or traditional Māori healing, eco-tourism, and sustainable harvesting of native timber.

108. What's needed to make it more economically viable to establish and maintain native forest through planting or regeneration on private land?

Creation of a nature/biodiversity credit system to complement the ETS would generate sustained income from native forests.

109. What kinds of forests and forestry systems, for example long-rotation alternative exotic species, continuous canopy harvest, exotic to native transition, should the Government encourage and why?

a. Do you think limits are needed, for example, on different permanent exotic forest systems, and their location or management? Why or why not?

b. What policies are needed to seize the opportunities associated with forestry while managing any negative impacts?

We support a preference for full native forest establishment as a priority over exotic species and exotic to native transition. This is vital given the concurrent biodiversity crisis and the urgent need to save our taonga species through creating more protected habitat. But, we recognise that well-designed hybrid planting approaches can overcome the challenge of a positive business case based on current settings.

For exotic forestry, staggered harvesting and significantly wider protected riparian margins along waterways (planted in appropriate native vegetation) is needed to prevent massive sediment loss and impacts that devastate waterway and marine habitats post harvesting.

110. If we used more wood and wood residues from our forests to replace high-emitting products and energy sources, would you support more afforestation? Why or why not?

We support sustainable and environmentally responsible forestry activity. We recognise the positive economic and social benefits from a forestry industry within that context. There are significant opportunities for wood and wood residue, especially in the construction and energy sectors. So, we would support more afforestation, but only within a well-controlled system which protects and enhances the environment and biodiversity outcomes.

111. What role do you think should be played by:

Please provide reasons for your answers.

a. Central and local governments in influencing the location and scale of afforestation through policies such as the resource management system, ETS and investment

b. The private sector in influencing the location and scale of afforestation?

112. Pests are a risk to carbon sequestration and storage in new, regenerating and existing forest. How could the Government support pest control/management?

We support the Government's investment in Predator Free NZ 2050. We encourage further investment as the end goal is to eliminate key pests rather than devote a large amount of resources year after year trying to control them.

113. From an iwi/Māori perspective, which issues and potential policies are a priority and why, and is anything critical missing?

We recognise the central importance of iwi/Māori as kaitiakitanga, especially in relation to forestry and other land use.

114. Are there any other views you wish to share in relation to forestry?

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 also recommend that the Government includes natural wetlands in these considerations. They are important and largely overlooked carbon sinks, as well as ecological treasures in their own right.

Taking action

Do you have any examples of your organisation demonstrating leadership and taking action to reduce GHG emissions you could share with us? If so, briefly describe the example.

The Sustainable Business Network leads many collaborative projects, involving organisations in the public and private sectors. These projects focus on three main areas: acting on climate; designing out waste (circular economy); and regenerating nature.

Our main projects at present are:

- [Climate Action 2025](#) (including the [Climate Action Toolbox](#)) – developing and enhancing an online tool to help smaller businesses take climate action.

- [Go Circular 2025](#) (including the Circular Economy Directory) – developing Aotearoa New Zealand’s first directory of circular solutions for businesses.
- [Packaging Masterclass](#) – leading a multi-year series of events and resources to address our packaging challenges.
- [Million Metres](#) – restoring the health of our lakes, rivers and wetlands through riparian planting of native trees and shrubs.
- [Jobs for Nature](#) – co-ordinating a nation-wide programme of natural regeneration projects delivering positive climate and biodiversity outcomes.

We are also leading various capability-building work, including the Sustainable Procurement Leaders Group and Leadership in Sustainability course.

Within our network we are privileged to have many of the businesses leading the low carbon and circular transitions. These organisations, and others across Aotearoa New Zealand, have been featured and celebrated at the annual Sustainable Business Network Awards. 2021 finalists are featured [here](#) and past finalists [here](#).