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Ministry for the Environment
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Canterbury Mayoral Forum Submission: New Zealand's second emissions reduction plan discussion document

1. The Canterbury Mayoral Forum thanks the Ministry for the Environment for the opportunity to comment on the second emissions reduction plan discussion document.

Background and context

2. The Canterbury Mayoral Forum comprises the mayors of the ten territorial authorities in Canterbury and the chair of the Canterbury Regional Council (Environment Canterbury), supported by our chief executives. The purpose of the Forum is to promote collaboration across the region and increase the effectiveness of local government in meeting the needs of Canterbury's communities.
3. The eleven Canterbury councils are: Kaikōura, Hurunui, Waimakariri, Selwyn, Ashburton, Timaru, Mackenzie, Waimate and Waitaki District Councils, the Christchurch City Council and Environment Canterbury.
4. In this submission, the Canterbury Mayoral Forum provides feedback on areas of general agreement across Canterbury councils. We are aware that some Canterbury councils are making more detailed individual submissions, and we ask that the Ministry carefully consider each of these.

Mayors standing together for Canterbury.

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Climate change collaboration in Waitaha/Canterbury

5. The Canterbury Mayoral Forum recognises climate change as the biggest challenge of our time. Our Plan for Canterbury 2023-25¹ highlights climate change mitigation and adaptation as one of our three priority areas, alongside sustainable management of our environment and shared prosperity.
6. As a key priority area, the Mayoral Forum is committed to reducing our carbon footprint, working together on climate action planning, building community resilience, and making our infrastructure as strong as it can be.
7. In 2022, the Canterbury Mayoral Forum published the Canterbury Climate Change Risk Assessment². This laid the foundation for the development of the Canterbury Climate Partnership Plan to take action on climate impacts across the region. The Partnership Plan, which is nearing completion, will lay out how Canterbury councils will fund and work together on specific climate actions to help minimise the impacts of climate change on Canterbury's communities and ecosystems, with a focus on preparing for an equitable and inclusive transition and emissions reduction in the region.
8. We look forward to seeing the Government's climate policies create a clear and enduring framework that will support us to achieve the Partnership Plan's outcomes.

General comments - proposed approach to second emissions reduction plan

9. The Canterbury Mayoral Forum supports the intent of the discussion document to develop a second emissions reduction plan that provides policy and legislative certainty and ensures that the emissions trading scheme is an effective tool in reducing emissions. Developing a fit-for-purpose, future-focused emissions reduction plan requires a whole-of-government approach, which local government supports.
10. Many of the key proposals in the discussion document require further detail in order for us to understand their impact. We trust that the finalised emissions reduction plan will provide the required level of clarity and detail about the measures proposed and how they will help New Zealand reach our 2050 net zero emissions goal.

Net-based approach

11. The Forum acknowledges the net-based approach outlined in the discussion document is a departure from the first emissions reduction plan. The stated rationale for such an approach is that it offers greater flexibility and can help to keep costs down. We agree it is important to employ a mix of actions to reduce emissions alongside activities that

¹ <https://www.canterburymayors.org.nz/forums/plan-for-canterbury-2023-2025/>

² <https://www.canterburymayors.org.nz/canterbury-climate-change-risk-assessment-feb-2022/>

remove greenhouse gases from the atmosphere, but we are concerned that a net-based approach will end up relying too much on those intended removals to achieve emissions targets.

12. The Forum has long advocated for a focus on reducing gross domestic emissions as the way forward for enduring climate change mitigation. Although we understand the rationale in the discussion document on taking a least-cost approach to emissions reduction, we consider that focusing now on gross emissions reductions will actually reduce the costs of transitioning to a climate-resilient future in the long run. Importantly, it will also ensure there are an increased range of options available for future generations. We ask that detailed consideration of the long-term impacts of a net-based approach be undertaken following this consultation, to ensure it is the best approach for the country in the longer term. We make further comment on the net-based approach in the next section on the Emissions Trading Scheme.
13. Based on our review of the discussion document, we also remain concerned that the second emissions reduction plan will not allow for differences in rural settings, particularly regarding transport and the impacts on land-use change. For example, reducing emissions through increased public transport is almost exclusively an urban solution. In addition, we know that land-use change from farming to forestry will affect employment in rural communities in a far greater way than urban areas. Further, while carbon forests and renewable energy infrastructure (such as solar farms) are often located in rural areas, rural communities themselves do not generally reap their benefits. We therefore request the Government carefully considers the significant range of effects on rural communities in its finalised emissions reduction plan.

Transition to low emissions economy

14. The Forum understands work on the Equitable Transitions Strategy has been discontinued. The discussion document notes that it is instead intended that the Government's approach to supporting New Zealanders to transition to a low emissions economy will be set out in more detail in the second emissions reduction plan.
15. The discussion document references the transition numerous times, and states that the Government will support New Zealanders through it. However, other than noting there will be a market-led, least-cost approach to the transition and that sector policies that support reductions where it is most cost-effective and efficient to do so will be developed, concrete proposals and initiatives establishing how the transition will be navigated is missing.
16. Given the document does note that the Government will refine the approach to managing the impacts of the transition and supporting people through it after consultation with stakeholders, we request that all the work that has gone into an equitable transition strategy and related transition work is carefully considered and forms part of the transition approach that will be laid out in the second emissions reduction plan.
17. Further, local government plays a significant role in New Zealand communities' transition to a low-emissions and climate resilient future. We strongly recommend developing a

clear ongoing partnership approach with local government to support development and implementation of the second emissions reduction plan.

18. We also recommend providing interventions that will support local government to help deliver emission reductions. For example, the development of emissions reporting standards that can be tailored to local communities. To assist the transition, we also support the Government developing cross-sector minimum standards for emissions – e.g. appliances (including right to repair), building materials, other products, housing, and waste disposal. We consider that standards, if developed in consultation with industry experts and impacted communities, will deliver tangible emissions reductions in a way that provides a level playing field.
19. Lastly, to achieve a successful transition, we strongly recommend that all Government climate change policies include full and thorough regulatory impact assessments to ensure their impacts are understood and identify where support mechanisms are necessary to avoid imposing disproportionate negative impacts on vulnerable groups. If the equitable transition strategy work is not continuing, we consider this now even more important.

Emissions Trading Scheme (ETS)

20. The discussion document makes it clear that the Government's preferred approach is to make no changes to the structure of the ETS, meaning that the status quo will remain – one tonne of carbon dioxide equivalent emissions reduction will continue to be treated as equivalent to one tonne of carbon dioxide removed from the atmosphere.
21. While this provides welcome clarity on the Government's policy direction, we are concerned that it will result in a focus on planting trees ahead of (rather than as well as) reducing gross emissions. This is because the ETS is not currently structured to deliver significant gross emissions reduction outcomes as it allows the incentive for gross emissions reductions to be undermined as more action is taken to enhance carbon storage by forests, and provides free ETS units to high-emitting industries. We consider driving gross emissions reductions crucial to support the transformation of our economy, particularly for those generations that will come after us. It is also crucial for reducing the risks from the impacts of climate change – forests are becoming more vulnerable to storms and fires as the world warms. We saw this most recently in Cyclone Gabrielle and forest fires in drought-prone areas of Canterbury.
22. In past submissions on this subject, the Forum has supported a strengthened focus on gross emissions, and adjustment of the ETS to support this outcome³. We would strongly support a review of the proposal outlined in the discussion document, so that the structure of the ETS supports forests to help us meet our long-lived gases target and balance emissions from industries where emissions are hard to reduce due to cost or technology not being available, while ensuring incentives for reducing gross emissions remain front of mind. If the proposal as outlined remains, there will be risks to our

³ See, for example, <https://www.canterburymayors.org.nz/wp-content/uploads/CMF-submission-CCC-draft-advice-on-second-Emissions-Reduction-Plan-June-2023.pdf>

economy as New Zealand businesses may not be fit to compete in a world that is rapidly moving towards a low-emissions future, and there will be impacts for communities and regions affected by land-use change, particularly rural communities that prosper through being able to use land in a diverse number of ways. Given the projections in the document about the uncertainty of meeting future emissions budgets, a focus on reducing gross emissions is also needed to ensure we stay on the right track to meeting those budgets.

23. The Forum is also concerned that the discussion document appears to rely too much on the emissions trading scheme as the key climate tool, when it is really one lever of many others that will support emissions reduction.
24. We note that long-term sequestration from indigenous forests, which store carbon for longer periods of time than commercial pine plantations, is not currently accounted for under today's ETS settings. This means that in its current form the ETS will not drive the level of indigenous forests restoration that the Climate Change Commission recommends in order to create a long-term carbon sink for hard-to-abate emissions. We request this is carefully considered when finalising the second emissions reduction plan.
25. A related concern for us is that there are already high rates of exotic afforestation in Canterbury. The Forum strongly urges the Government to provide a pathway in the plan that reduces reliance on exotic forestry. We discuss forestry in greater detail later in this submission.
26. The discussion document also proposes a "fair and sustainable pricing system" for agricultural emissions by 2030. This clarity is welcomed, however the timeframe for including agriculture has continued to be delayed in recent years. We urge that there be cross-party support for confirming when agriculture will enter the ETS so that the date remains the same regardless of the government of the day. It simply cannot be pushed out any further.
27. Recent ETS unit auctions have not been successful⁴. We therefore agree that strengthening the ETS by restoring market confidence is critical to the second emissions reduction plan. We note the discussion document advises that the Government is working to improve the transparency of ETS market information and the integrity of the market, and to enhance participants' understanding of how the market works. We support this work and look forward to understanding more about it, noting that it is expected that the Government will release more details later in 2024.
28. Finally, the Canterbury Mayoral Forum understands the need for careful consideration of expanding the ETS to account for other forms of carbon storage. We consider these questions should be considered alongside the opportunity to tackle biodiversity issues. We also caution that these forms of carbon should not be used to make achieving our targets easier. We discuss this matter further in a later section of this submission.

⁴ See, for example, <https://environment.govt.nz/assets/publications/climate-change/NZETS-interim-auction-monitor-report-19-June-2024.pdf>

Funding and financing climate mitigation

29. The discussion document is focused on private sector investment in emissions reduction, and the opportunities the Government has to support this. We agree that domestic private sector investment will be needed to support the Government's emissions reduction aspirations, and support the work currently under way to develop a sustainable finance taxonomy, establish a mandatory climate-related disclosures regime, and explore collaboration with the Australian Government on aligned regulatory frameworks for sustainable finance. Understanding and removing barriers to private investment is equally as important, and we support the range of actions around this that are discussed in the document. We will be interested to see private sector feedback on prioritising those actions.
30. Alongside enabling the private sector, however, is the importance of supporting local government to invest in climate mitigation. Councils are responsible for significant infrastructure, local and regional planning decisions, public transport, and supporting the wellbeing of their communities. We need the Government's financial support if we are to achieve significant climate mitigation outcomes.
31. Local authorities are eager to find innovative approaches to investing in climate mitigation initiatives. However, innovation is considered an operational expense and can therefore only be funded through rates. This significantly constrains councils in comparison to investment in infrastructure, which, as a capital expense, means that councils can access other significant funding streams (such as, for example through Waka Kotahi NZTA).
32. This goes to a wider discussion of how local authorities are funded, and the need to ensure that we can actually support our communities and help them to mitigate and adapt to climate change. We urge greater engagement by the Government with local government on funding and financing climate initiatives (both emissions reduction and adaptation) to find an enduring way forward that works for all of us. This may take some time to get right, but it is important for future generations that we do so.
33. Relatedly, we are also concerned about the consistent theme in the discussion document about the importance of taking a least-cost approach when determining a second emissions reduction plan. We would make the point that there are in fact a range of opportunities to be considered alongside just the financial short-term cost of emissions reductions. For example, by reducing transport emissions we improve air and water quality for our communities, improving public health. Greater energy efficiency measures save households and industry money as well as reduce greenhouse gas emissions. In addition, importantly, by focusing on reducing emissions now, we will need to spend less on adaptation measures in the medium and longer term.
34. We will not be able to realise these additional benefits if we focus our attention on carbon removal via trees instead of the full range of emission reduction measures available to us. This must be taken into account when determining climate funding and financing.

Energy sector policy proposals

35. The Canterbury Mayoral Forum supports the focus on reducing emissions from energy outlined in the discussion document and was pleased to read that the Government is committed to providing the regulatory certainty and a credible, level playing field to enable private investment in energy. We strongly agree there is a need to prioritise and accelerate renewable electricity generation and in particular ensure electricity distribution networks can support growth and variability of demand and supply.
36. While we support the intent of the proposals, the Forum notes that there is still much work to be done on the detail of transitioning the sectors that will be significantly impacted by reducing energy emissions. The key challenges our region will face in terms of the transition are the impact from changes to the energy supply, the ongoing environmental impact from new energy sources, and the structure of the regulatory framework that will ensure change.
37. In Canterbury, decarbonisation of the manufacturing sector will clearly be the most affected by these changes. In particular, businesses that dry milk powder, or process meat and vegetable products will be significantly impacted. To achieve enduring change, the transition process must incentivise industry to long-term, rather than interim, solutions and energy sources.
38. We note with interest that the Electrify NZ programme of work includes a new National Policy Statement – Renewable Electricity Generation and new National Environment Standards for each renewable generation type, as well as a National Policy Statement – Hydrogen to provide certainty for investment in hydrogen production and distribution. We look forward to local government being involved in the development of these regulatory instruments, and trust that the development of them will align with planned changes to resource management reform. In the meantime, we support the actions the Government is currently undertaking to support and enable end-users to electrify that are set out in the discussion document to ensure security of New Zealand's electricity supply, promote the affordability of New Zealand's electricity supply and enable energy efficiency and a smarter electricity system.
39. Further, the Forum notes that the Electrify NZ programme seeks faster and cheaper consents for renewable electricity generation to support greater investment in renewable electricity capacity and grid infrastructure with the aim of simplifying the consenting process for councils. It will set minimum standards to reduce the load on councils when they process consents. Although this work has yet to be done, we would urge the Government to consult local government on any regulatory changes relating to consenting, as any changes could complicate regional or local action on climate change mitigation and adaptation work planned or already under way.
40. For the transition period, the Forum also supports:
 - a combination of addressing fuel specific sources and fuel neutral thresholds in the regulation. For example, a prohibition on coal and a threshold-based approach for other fuel sources

- clear phase-out dates to drive change and investment in research and developing alternative sources
- flexibility within the regime, such as exemptions, particularly for public-benefit agencies (e.g. hospitals) and emergency supplies for vital infrastructure; limiting duration of any consents, explicit at the national level to avoid uncertainty; and allowances in the absence of viable alternatives, linked to a need to install new infrastructure e.g. a 10-year maximum duration.

41. The Forum is also keenly interested in energy efficiency for homes and businesses.

Supporting our communities to have warmer, drier homes and workplaces where we use less energy is incredibly important. As the discussion document acknowledges, people who cannot afford to heat their homes are likely to have poorer health outcomes. This has flow-on effects such as reduced economic and educational opportunities, and increased pressure on the health system. While there are some work programmes planned or under way described on page 54 of the discussion document to assist households and businesses, the Forum would like to see greater detail in the second emissions reduction plan on how families and communities will be supported.

42. To ensure our region is prepared to take opportunities on energy, the Forum has begun developing a regional energy inventory for Canterbury. The purpose of the inventory is to:

- create a shared picture of Canterbury's energy futures to inform more consistent strategic planning, investment, and partnerships across industry, councils, central government, the Mayoral Forum and Greater Christchurch Partnership

provide an evidence base to inform regional, sub-regional and local government energy processes

- help to identify regional priorities to support discussions about regional or city deals
- support regional input into central government energy work programmes.

43. The Forum will undertake this work in collaboration with stakeholders. The ultimate outcome of the project is to identify options to progress a regional approach to energy. While this work is in its infancy, we consider it aligns well with the plans set out in the discussion document for the energy sector.

Transport sector policy proposals

44. Canterbury, as the largest region in New Zealand, has a vast transport network connecting towns, cities and rural areas. This network is a crucial connector of people and communities and is critical to support supply chains and get our products to market.

45. Land transport is a major contributor to Canterbury's greenhouse gas emissions. In 2022, emissions from transport were 14.8% of Canterbury's gross emissions. These

emissions are growing quickly – increasing by 89.7% since 1990⁵. Canterbury’s Regional Transport Committee has a target to reduce greenhouse gas emissions from land transport in Canterbury by 41% by 2035.

Electrification

46. The Mayoral Forum is a strong supporter of transport decarbonisation. We agree that New Zealand is in a good position to decarbonise transport through electrification, and other non-fossil fuel options. However, doing so requires investment in public transport, and changes to the fleet, travel demand, and energy supply in a way that is different to current approach to transport planning and funding. To support the Government’s aspirations for decarbonising transport through electrification (and other low-emissions fuels), we consider it needs to invest in behaviour-change programmes. Without this, take-up could be slow and therefore more costly.
47. We support the significant scale up of public EV charging points proposed in the discussion document, though we note that the charging infrastructure proposals are subject to a cost-benefit analysis. We caution that while initial outlays for this proposal could be high, the long-term cost of not scaling up this infrastructure may be much higher. Alongside the increase in charging points, detailed comment on what incentives might be put in place to accelerate the uptake of zero emissions commercial vehicles, including vans, utes, and trucks is missing⁶. A broad, and affordable, range of zero emissions vehicles will clearly be required to enable the decarbonisation of the transport system and ensure that the charging infrastructure will be well utilised. We expect to see much greater detail on the EV charging proposal in the finalised emissions reduction plan.
48. In Canterbury, the move to electrification of public transport has already begun. Environment Canterbury, which manages public transport for the region, has just introduced 21 new electric buses to the fleet, bringing the total number of electric buses to 65. This means the Greater Christchurch urban fleet is expected to reduce carbon dioxide equivalent emissions by an estimated 22.8 percent when compared to the existing diesel fleet, equivalent to over 3,600 tonnes of carbon dioxide saved annually, compared to a fully diesel fleet. Likewise, the emissions reduction from these electric buses includes over 22,000kg less nitrogen oxide emissions and 193kg less particulate matter. The buses have been funded by a combination of Environment Canterbury funding and funding from Waka Kotahi NZTA. The fleet is set to increase to 70 by the end of 2024.
49. Lastly, the Forum would like to emphasise that Canterbury is an innovative region and welcomes the wide range of business opportunities that sit alongside the transition away from fossil fuels to electrification. We urge that the second emissions reduction plan

⁵ Canterbury Regional Land Transport Plan 2024-34 - <https://www.ecan.govt.nz/document/download?uri=5146742>

⁶ Notwithstanding the \$30 million grant scheme for hybrid or zero-emissions heavy vehicles announced in the 2024 Budget.

provide a clear pathway to support businesses in this regard, particularly for freight and tourism. For example, there are opportunities to support freight efficiency software and software for passenger travel solutions, amongst others. In addition, alongside electrification, the Government could explore the potential future role and cost of low emission gases, such as biogas, in supporting our emissions reduction targets.

Public transport

50. As well as electrification, a key initiative proposed for the second emissions reduction plan is to support public transport. The Forum was disappointed to see that this relates only to public transport in the Auckland and Wellington regions. This is despite Canterbury being the largest region in New Zealand, and Christchurch being the country's second largest city.
51. As part of a wider public transport work programme in Canterbury, councils in the greater Christchurch area submitted an indicative business case to government in 2023 for a mass rapid transport system to cover the Christchurch City, Waimakariri and Selwyn districts⁷. This business case is strongly supported by the Mayoral Forum. The purpose of the business case is to plan now to ensure councils provide the services a growing Greater Christchurch will need into the future. It would help to transform Greater Christchurch's public transport network and urban form, making it easier for people to get to where they need to go, while reducing transport emissions.
52. Unfortunately, the business case is yet to receive formal consideration by the Government despite ongoing advocacy by the Greater Christchurch Partnership and the Mayoral Forum. We consider this consultation the perfect opportunity to advance consideration of the business case by the government, and request that it be included in the finalised second emissions reduction plan. The growing population of Greater Christchurch needs investment in its transport systems if it is to avoid the congestion and poor integration of transport planning seen in Auckland and Wellington. The mass rapid transport proposal is clearly of critical national importance given it would service New Zealand's second largest city.
53. Canterbury also has had success with public transport in smaller urban centres through the on-demand MyWay minibus public transport network in Timaru. Following the success of this system in Timaru, Ashburton is currently looking into public transport options that may be suitable for its community. Further, community-managed minibus transport operates in some smaller towns, such as Geraldine⁸.
54. As noted earlier, we remain concerned that the current package of actions for transport emissions do not adequately consider rural settings. Outside of urban centres, private vehicles are often the only available practical mode of transport for medium or long-distance trips. Specific support for these communities will be required to see change in

⁷ <https://www.greaterchristchurch.org.nz/urbangrowthprogramme/transport>

⁸ <https://communityvehiceltrust.org.nz/vehicle-trusts-across-canterbury/geraldine/>

the way in which rural communities travel and enable their goods to get to market, alongside public transport in larger urban areas.

55. Alongside public transport, it is also valuable to consider how the government can support walking and cycling opportunities. The discussion document does not mention electric bicycles or vehicle sharing, for example, or encouraging walking, as ways to reduce emissions. We therefore urge the Government to consider continuing to invest in walking, cycling and related initiatives as part of a package of transport initiatives in the second emissions reduction plan.

Aviation and shipping

56. It is also important that our future transport system protects the freight transport network that is so critical to our regional economy. We support the transition of freight to more sustainable modes like rail and coastal shipping and ensure regional freight routes are protected and industrial land within Greater Christchurch is well located with freight connections.

57. As noted by the Regional Transport Committee in its Regional Land Transport Plan 2024-34, over the next 30 years, freight demand in Canterbury is expected to grow by over 70%. While more fuel-efficient heavy vehicles can help to reduce emissions, the weight they carry and distance they travel limits their overall impact on reducing emissions. Moving more freight by rail and coastal shipping can reduce expected emissions in Canterbury by over two-thirds⁹.

58. We agree with the rationale in the discussion document for supporting decarbonisation in domestic aviation and shipping. Demonstrating a commitment to decarbonising these forms of transport will help us maintain access to international markets and meet the increasing expectations of international customers about emissions associated with supply chains. We agree that international cooperation on decarbonising aviation and maritime will also help prepare us to take advantage of new technologies as they are released.

Agriculture sector policy proposals¹⁰

59. Agricultural emissions reduction brings relatively significant opportunities and risks to the regional economy in Canterbury. Our region is an agriculture-based economy, contributing one-fifth of the national agricultural GDP¹¹. Responding successfully to

⁹ Canterbury Regional Land Transport Plan - <https://www.ecan.govt.nz/document/download?uri=5229869>

¹⁰ The Christchurch City Council is supportive of this submission, but requests that the Ministry refer to its own submission for the City Council's individual view on matters relating to agriculture and the second emissions reduction plan.

¹¹ <https://www.christchurchnz.com/business/business-clusters/food-fibre-and-agritech#:~:text=As%20New%20Zealand%27s%20largest%20agricultural,array%20of%20offerings%20and%20opportunities.>

reducing agricultural emissions depends on the rollout of methane inhibitors and other approaches that are well-suited to Canterbury's farming systems.

60. Farmers and growers are facing a challenge and opportunity to achieve (and be recognised for) good outcomes across environmental, social and economic dimensions. Emissions mitigation sits alongside stewardship of freshwater, biodiversity, animal welfare – and of the farm business itself.
61. The Forum fully supports moves to increase investment in science, research and innovation to help the pastoral sector manage its challenges and take up new opportunities. Some land-use diversification is likely to be needed to achieve climate goals, and to respond to the opportunities that come with warmer temperatures, while minimising impacts on productivity. We view land-use diversification as one example of the applied research and partnership areas that should be invested in.
62. We also support a comprehensive national conversation on the risks, benefits and other impacts of changing our current stance on genetic engineering. Reviewing the rules on this could pave the way for New Zealand to be at the forefront of innovation for the pastoral sector, helping to reduce emissions significantly while protecting our environment.
63. However, there seem to be some assumptions in the document about how fast new technologies will be able to be developed, tested, patented and taken up on farm. Developing these technologies takes time, and clarity is required on how the Government will support the rapid development and rollout of new technologies. It is imperative that detailed information on how this will occur is clearly set out in the finalised plan, so that there is greater certainty about how and when these new technologies will help to achieve emissions targets.
64. We note that there are already a number of ways in which agricultural emissions are being reduced across farms in New Zealand. We urge the Government to continue to support farmers to use currently available methods to maintain momentum on these reductions, rather than encourage inaction while waiting for new technologies to become available.
65. Alongside supporting new technologies, we are concerned that pushing out the date for pricing agricultural emissions in the emissions trading scheme until 2030 will lower the incentive to innovate and adopt best practice, particularly if new technologies cannot be rolled out as quickly as the discussion document seems to envisage. We must also keep pace with international expectations - as the discussion document itself notes, the international community expects New Zealand to make a fair and measurable contribution to reducing emissions, and the agriculture sector has a part to play. To ensure there are no further delays to the timeframe, we urge the Government to reach bipartisan consensus that the 2030 timeframe is not pushed out any further.

Forestry sector policy proposals

66. There is no doubt that carbon sequestration in forests play a significant role in helping us move toward a low-emissions future. However, we are concerned that the policy direction outlined in the discussion document relies too heavily on carbon removals from forests (and particularly short-life exotic forests), which will undermine New Zealand's gross emissions reductions targets.
67. In Canterbury, we already have high rates of exotic afforestation. Data from the One Billion Trees fund reporting shows Canterbury receiving the highest funding as at 2021 for new forestry¹². Most of this is exotic (typically pine). Under the proposed policy settings, we expect this to at least continue, but probably increase significantly.
68. Canterbury's opportunities for emissions mitigation through afforestation brings significant risks and issues that require careful work to resolve. This includes the need to enable and incentivise viable pathways to establish and transition to indigenous forestry, including on Māori land. We remain concerned about impacts of exotic carbon forestry on outcomes such as terrestrial biodiversity, freshwater quality and quantity, wilding pines, and land instability if, or when, the forest is harvested. Our strong view is that climate change initiatives need to incentivise afforestation that complements the freshwater and biodiversity outcomes that New Zealand seeks to achieve.
69. We consider there needs to be increased consideration of how forestry impacts water/flow sensitive catchments, and whether local authorities are well-placed to protect biodiversity values on scrubland in the face of significant economic drivers to clear this land for plantation forestry. We also know climate change will bring more severe weather events, including storms with high erosion power.
70. We appreciate that the discussion document clarifies that the Government will carefully consider how it incentivises a balance of land uses to achieve the best outcomes for forestry, agriculture and the environment – however the direction that is strongly signalled in the discussion document demonstrates a significant risk that climate mitigation objectives will simply incentivise large-scale exotic afforestation.
71. Some communities have raised significant concerns about impacts of increased forestry on the rural economy from a social/economic perspective. We urge the Government to take these seriously. Many rural communities, such as those in the Waitaki District, are quite rightly concerned that land-use change may impact the availability of sheep and beef farming work, and consider that permanent carbon forestry may not generate enough permanent local jobs to replace it. This could lead to reduced employment opportunities, meaning that families may leave for other areas, which in turn will impact the viability of local businesses, and important community institutions like schools.
72. We are strongly of the view that indigenous forestry should have a stronger role than is indicated in the discussion document given its ability to sequester carbon long-term, and

¹² <https://www.mpi.govt.nz/forestry/funding-tree-planting-research/one-billion-trees-programme/progress-towards-planting-one-billion-trees/one-billion-trees-fund-approved-direct-grants/>

the co-benefits relating to indigenous biodiversity. Indigenous forestry is referenced in the discussion document, though it is noted that the current costs make it uneconomic to investors compared with exotic planting. We were encouraged to read that the Government is interested in exploring partnerships to improve the incentives for native planting, and we support this work. In doing so, we consider that the Government should explore how it can recognise the benefits delivered by native forests in the ETS, and how this can be balanced with the current incentives offered to fast-growing exotic plantations. This could be through biodiversity credits, for example, or additional incentives offered via the Scheme.

73. We were pleased to see the discussion document reference the importance of forestry in climate adaptation, not just mitigation. The role of forestry in climate policies must consider where forests are planted (right tree, right place approach), how we plant forests to mitigate wildfire risks, where there are erosion control benefits, and of course how we can control the spread of wilding pines. Wilding pines are already a well-known issue in some parts of our region, particularly in the Mackenzie District.

Waste sector

74. We welcome the attention given to waste in the discussion document. As the discussion document notes, local and central government and the waste management, resource recovery and recycling sector all have key roles in the waste system.
75. We support the proposal to target investment in infrastructure projects and systems that reduce organic waste and emissions within New Zealand (including those that divert organic waste and process it), facilitate the development and implementation of product stewardship schemes, expand/upgrade resource recovery facilities, and develop infrastructure for renewable energy recovery of hard-to-recycle materials. We note, however, that increasing waste processing capacity across the country will require infrastructure investment by the Government. This will particularly be the case for rural and smaller urban communities.
76. We note the Government has recently broadened the scope of the activities that the central government portion of the waste disposal levy can be used for, widening it to environmental projects more generally. We are concerned that this reduces funds for waste infrastructure, which seems at odds with the intention of the proposals for waste in the discussion document. We would urge this decision to be reviewed as part of the second emissions reduction plan to ensure that waste infrastructure investment occurs as intended.

Non-forestry carbon removals

77. We were pleased to see that the discussion document confirms the Government will consider all forms of non-forestry removals to support emissions reduction targets.
78. Recognising additional forms of carbon storage could provide a wide range of benefits. For example, restoring coastal wetland ecosystems has the dual advantage of sequestering carbon while improving biodiversity. This can also have a role in improving

resilience to adverse or extreme weather events by helping to absorb flood waters or reducing heat stress. Recognising wetlands and other biodiverse landforms could also incentivise landholders to view marginal farmlands and scrublands as a revenue-creating asset rather than simply unproductive land.

79. The Forum supports the inclusion of non-forest removal sources if they can be proven to meet science based, proven, best practice standards for measuring and reporting carbon removals. We agree the criteria for recognising non-forestry removals technologies set out on page 84 of the discussion document are a good place to start, and consider that it would be worthwhile for the Government to develop some national guidance for researching, promoting, measuring and reporting on such sequestration opportunities.

80. We note, however, that recognising non-forestry carbon removals needs to sit alongside initiatives to reduce emissions, rather than replace these initiatives.

Government support for Māori- and iwi-led action to reduce emissions

81. Te Rūnanga o Ngāi Tahu released its Climate Change Strategy He Rautaki Mō Te Huringa o te Āhuarangi in 2018 and launched its Climate Change Action Plan Te Kounga Paparangi in 2022. Many papatipu rūnanga in the takiwā are already well under way with climate action plans, including with broader communities. We urge the Government to support this work.

Conclusion

82. Thank you for the opportunity to make a submission on the discussion document for the Government's second emissions reduction plan. The Forum looks forward to the Ministry's consideration of our points, and notes our secretariat is available to provide any further information or answer any questions the Ministry may have about our submission. Contact details are: Maree McNeilly, Canterbury Mayoral Forum Secretariat, secretariat@canterburymayors.org.nz , 027 381 8924.

Ngā mihi



Nigel Bowen
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Chair, Canterbury Mayoral Forum