

## Submission to the Productivity Commission on the Low emissions economy inquiry

### Low-emissions economy: Draft report

---

22 June 2018

1. The Canterbury Mayoral Forum thanks the Productivity Commission for the opportunity to submit on the Low-emissions economy: Draft report and thanks the Commission for accepting this submission after the due date.

#### Background and context

2. The Canterbury Mayoral Forum comprises the Mayors of the ten territorial local 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. All Canterbury councils actively participate in the Forum: the Kaikōura, Hurunui, Waimakariri, Selwyn, Ashburton, Timaru, Mackenzie, Waimate and Waitaki District Councils, the Christchurch City Council and the Canterbury Regional Council (Environment Canterbury).
4. The Mayoral Forum leads development and implementation of the *Canterbury Regional Economic Development Strategy* (CREDS). A three-year work programme to deliver on commitments made in the Canterbury Local Authorities' Triennial Agreement 2017–19 is implemented by the Canterbury Chief Executives Forum, and the Canterbury Policy, Operations, and Corporate Forums.
5. The following submission has been developed with input from the Policy Forum and we have shared our draft submission with Te Rūnanga o Ngāi Tahu. Our submission focuses on matters of general agreement between the members of the Canterbury Mayoral Forum. We note that the Christchurch City Council, the Waimakariri District Council, and Te Rūnanga o Ngāi Tahu also intend to make individual submissions.
6. The Forum notes that Local Government New Zealand has submitted on the draft report. The Forum affirms this submission made on behalf of the local government sector.

#### *Mayors standing together for Canterbury.*

Secretariat, E: [secretariat@canterburymayors.org.nz](mailto:secretariat@canterburymayors.org.nz) W: [www.canterburymayors.org.nz](http://www.canterburymayors.org.nz)  
C/- Environment Canterbury, PO Box 345, Christchurch 8140 T: 03 345 9323

## General comment

7. The findings and recommendations in the draft report are generally supported by the Mayoral Forum. The Mayoral Forum acknowledges the importance of and urgent need to address climate change for the benefit of current and future generations, and the need to transition to a lower net-emissions economy.
8. The Productivity Commission's key recommendation for a credible and efficient market in emissions units is supported, as our experience shows that our councils and communities value long-term, clear policy direction to allow them to make decisions.
9. We believe that the transition to a low-emissions economy should be just and equitable for all New Zealanders. This must stay front of mind for government as New Zealand transitions to a low-emissions economy.

## Comments on recommendations

### Finding 10.1

*Finding 10.1: Land use will need to change substantially if New Zealand is to transition to a very low emissions economy by 2050. In particular, the transition will require a large and sustained increase in afforestation.*

10. We agree with the recommendation and the focus on the right trees being planted in the right place for the right reasons. We suggest that this expert research also consider balancing the range of co-benefits trees can provide, including short term sequestration, longer term sequestration, biodiversity enhancement, slope stability, sediment control, water quality, etc.
11. We also suggest that future land use policy also recognise the benefits of other vegetation that may not meet current forest definitions used in the ETS or used for eligibility in funding schemes. Recent flood events show that not only do we need to consider what trees are planted where, but also consider whether other forms of vegetation are more appropriate. We consider that limiting scope to afforestation may not result in optimal land use outcomes.

## Response to questions

### Question 11.1

*How could New Zealand signal a commitment to a widespread transition away from fossil-fuel vehicles? For example, should New Zealand explicitly aim to phase out the importing of fossil-fuel vehicles by some specified future date?*

12. The Canterbury Regional Transport Committee (RTC) recently submitted on the draft Government Policy Statement on Land Transport 2018 (GPS). Our response to this question reflects that submission.
13. We recommend that the Government (through the Climate Change Commission and development of the second stage GPS) engage with RTCs and industry on mechanisms to achieve a rapid reduction in greenhouse gas emissions from transport. Examples could include enabling freight shift from road to rail and shipping, the roll out of electric vehicle charging infrastructure, and national and regional transport pricing mechanisms that account for externalities.

14. We also recommend that the Government engage with local government to explore the potential for nationwide bulk purchase of, or incentives for purchasing, battery-electric buses to deliver a step change in public transport, environmental and service level outcomes, while obtaining the best value for money.
15. We strongly support the integration of land use and transport planning, in particular the premise that transport services should be an early service provision to shape new land use development and enable community access and use of public and active transport modes as soon as possible within a development cycle.
16. We strongly support the development of a local and central government agreement on transport's role in the future development of Greater Christchurch. Investment to improve public transport services and lift patronage in the short term, coupled with development of rapid transit solutions, will help to shape urban form and avoid the need to retrofit public transport into a car-centric city as congestion reaches unacceptable levels due to projected population growth.

### **Question 13.1**

*Would giving Fonterra discretion to refuse milk supply where this would lead to inefficient land use and/or a significant increase in the company's GHG emissions provide any benefit? What, if any, conditions would need to be attached to the exercise of such discretion?*

17. This question needs further analysis to answer. This could be achieved through the forthcoming review of the Dairy Industry Restructuring Act.

### **Questions 16.1**

*Should the New Zealand Emissions Trading Scheme be extended to cover wastewater treatment plants?*

18. We agree in principle that the ETS should cover wastewater treatment plants.

### **Conclusion**

19. The Mayoral Forum thanks the Productivity Commission for its work on this report and looks forward to the final report.



Lianne Dalziel  
Mayor, Christchurch City  
Chair, Canterbury Mayoral Forum