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Dunedin City Council submission on the discussion document for New Zealand's *second emissions reduction plan for 2026-2030* (ERP) and proposed changes to the *first emissions reduction plan for 2022-2025*.

Introduction

1. The Dunedin City Council (DCC) thanks the Ministry for the Environment (MfE) for the opportunity to comment on the Government's approach to reducing emissions outlined in the discussion document.
2. DCC has been progressing work on climate change mitigation and adaptation since 2009. Having a high degree of exposure to sea level rise, Dunedin is particularly aware of the consequences of inaction on emissions reduction.
3. In June 2019, the DCC declared a climate emergency, and brought forward the DCC's city-wide net carbon neutrality target by 20 years, adopting a two-part emissions reduction target ('Zero Carbon 2030') as follows:
 - a. net zero emissions of all greenhouse gases other than biogenic methane by 2030; and
 - b. 24% to 47% reduction below 2017 biogenic methane emissions by 2050, including 10% reduction below 2017 biogenic methane emissions by 2030.
4. In September 2023, the DCC adopted the Zero Carbon Plan, outlining the key shifts required for Dunedin city to achieve the Zero Carbon 2030 targets, and the actions the DCC need to take to support achievement of the targets.
5. In May 2024, DCC submitted in support of the recommendations four and five from He Pou a Rangi Climate Change Commission's (CCC) *Draft advice on the fourth emissions budget (2036–2040)* to; limit the use of offshore mitigation to meet domestic targets, and to decrease the total allowable emissions in Emissions Budgets two and three. DCC's position on these matters reflects the importance of domestic action and an updated understanding of the urgency of reducing emissions.

6. DCC are committed to delivering its fair share of emissions reduction in line with science-based targets, while supporting equity between sectors, and support for those most vulnerable to the impacts of climate change, and least able to afford to reduce their emissions.

Key submission points

7. DCC urges the Government leadership to meet international obligations by 2030 outlined in the Nationally Determined Contributions as ratified by the Government in 2016 and 2021.
8. DCC further urges the Government to take action to get Aotearoa New Zealand (NZ) on track for longer term targets and ensure the nation will safely meet the long-term targets enshrined in New Zealand Law and international obligations.
9. DCC submits that the Government should reduce gross emissions. This is the DCC's approach, as set out in DCC policy. The importance of this approach is reinforced by the CCC's *Monitoring Report: Emissions Reduction* which recommends prioritising gross emissions reduction and low risk strategies to reach targets.
10. DCC submits that Government actions within and alongside the ERP should ensure a coherent approach to climate change that considers both mitigation and adaptation.
11. DCC submits that a "least-cost" approach needs to account for all costs. This includes cost to New Zealand's reputation, to businesses, and exporters of not meeting its Nationally Determined Contribution (NDC) (or costs of offsetting), lost benefits (e.g. health improvements from walking and cycling), costs borne by communities, and costly adaptation and maintenance burdens for future generations. Reducing central government spending on climate action pushes greater costs onto local government, and all New Zealanders who will bear costs of government inaction.
12. DCC is concerned by the potential cost of \$3.3 to \$23.7 billion faced by the nation to meet 2030 commitments outlined by Treasury and MfE analysis. DCC submits the Government could better invest this significant amount of money in gross emissions cuts and enabling a low-emissions economy that sets the nation up for the future. Spending this as offsets offshore does not improve the quality of life within Aotearoa and does not set NZ up for long-term net zero emissions. This approach will result in significant ongoing costs to offset to maintain a net zero position, as gross emissions and offsetting costs will remain high.
13. DCC urges central government to ensure there is a more consistent policy, funding, and regulatory platform for emissions reduction. Changing the approach to emissions reduction undermines local government and businesses' ability to predict, plan, and invest in climate mitigation opportunities.
14. DCC submits that community level action should be supported and enabled. DCC welcomes partnership opportunities with Government to pilot interventions and make faster progress towards local emissions reduction targets.

15. DCC requests that Government consider the limited suite of levers and tools available to local government to achieve emissions reduction and commit to expanding these, including funding opportunities.
16. The ERP has limited detail on many actions. DCC would welcome opportunities to submit on the full detail of policies highlighted but not explained by the discussion document, such as the Electrify NZ policy.

Sector Chapters

17. DCC submits sub-sector targets would allow for various sectors and ministers responsible to plan and be accountable for what is required from each sector. DCC have employed sector targets in the formation of the Zero Carbon Plan and welcomes government partnership in achieving our shared goals.

Transport:

18. DCC submits that Government should significantly increase its ambition to reduce transport emissions. NZ has the fifth highest transport emissions in the world per capita. The proposed plan only models a 1% transport emissions decrease; this is insufficient. For Ōtepoti Dunedin a 41% reduction in transport emissions by 2030 has been modelled to achieve the city's targets.
19. DCC submits that transport policies need to be broader than electric vehicle (EV) charging and relying on the Emissions Trading Scheme (ETS). There are many other opportunities to reduce transport emissions, and in the case of EVs, there are many other barriers to EV ownership which prevent New Zealanders from accessing the benefits of EVs.
20. Genuine travel choice, particularly for those who cannot drive, or struggle to afford EVs can result in lower carbon emissions and reduce traffic congestion. There are wider benefits including better access to social and economic opportunities, improved population health and community cohesion. Enabling travel choice should therefore be a critical part of the ERP, and the Government's transport policy.
 - a. Public transport is shaped by Government transport policy and investment. The ERP only contains improvements previously announced in Auckland and Wellington regions. Ōtepoti Dunedin and other centres in the South Island also require investment to improve public transport.
 - b. The ERP and *Government Policy Statement on Land Transport 2024* significantly reduce walking and cycling investment. Emissions reduction and wellbeing potential from this investment should not be ignored.
21. DCC submits that enabling freight to be carried off the road network provides valuable opportunities to reduce emissions. The ERP should provide improvements to rail freight and coastal shipping as these are the lowest emissions freight options currently available.

Enabling low emission trucks may provide some benefits to direct emissions, but could exacerbate congestion and road damage, leading to inefficient outcomes for the whole transport system.

22. DCC submits that the investment priorities in parallel government actions, such as the *Government Policy Statement on Transport 2024*, do not reflect an efficient and cost-effective approach to reducing emissions. Substantial investment in new expressways (the Roads of National Significance (RONS) and Roads of Regional Significance (RORS) programme) will lock in increased transport emissions through the embodied emissions used in the construction of RONS, and encourage sprawl-based land use patterns that lock in car dependence and encourage increased driving.
23. DCC submits that the ERP reduces the level of ambition on emissions reduction by removing actions with significant emissions reduction potential. DCC recommends the government continue actions including:
 - a. 10.1.1.6 - Require new investments for transport projects to demonstrate how they will contribute to emissions reduction objectives and set a high threshold for approving new investment for any transport projects if they are inconsistent with emissions reduction objectives;
 - b. 10.1.2 - Set sub-national VKT reduction targets for New Zealand's major urban areas;
 - c. 10.1.2 - Develop VKT reduction programmes for New Zealand's major urban areas in partnership with local government, Māori and community representatives;
 - d. 10.1.4 - Establish a high threshold for new investments to expand roads, including new highway projects, if the expansion is inconsistent with emissions-related objectives;
 - e. 10.2.1 - Continue to incentivise the uptake of low- and zero-emissions vehicles through the Clean Vehicle Discount scheme and consider the future of the Road User Charge exemption for light vehicles beyond 2024;
 - f. 10.2.1 - Establish whether the Clean Vehicle Discount can be extended to other vehicle classes;
 - g. 10.4.1 - Ensure the next Government Policy Statement on Land Transport guides investment consistent with the emissions reduction plan.
24. Government is also proposing blanket changes to speed limits. The Council considers that any changes to speed limits should be evidence-based. In addition to increasing emissions from increased travel speeds, these changes: place a large burden on local councils; limit

how road controlling authorities can govern their own transport infrastructure; and reduces safety for all road users, with questionable benefits.

Waste:

25. DCC is supportive of initiatives to expand the use of landfill gas capture and destruction, as DCC does for its landfill.
26. DCC submits that the ERP should give effect to the waste hierarchy, with a focus on the top of the waste hierarchy as it is best practice for reducing waste before entering landfills. Concepts of circular economy should also be re-established as a focus.
27. DCC submits that in pursuit of a circular economy, the ERP should provide more support for regional or local reuse and recycling infrastructure, particularly in the lower South Island. This prevents waste being sent to landfill or offshore, increases resilience, and provides jobs.
28. DCC submits that actions in the ERP are insufficient to meet emissions reduction targets and support communities to transition. Government should also:
 - a. require waste minimisation plans for construction and demolition;
 - b. invest in solutions for timber diversion;
 - c. support food rescue programmes and education;
 - d. regulate to prevent organics entering landfill and make food scrap collection mandatory in urban areas and for businesses (phased once the necessary infrastructure is established);
 - e. implement mandatory product stewardship schemes, particularly for priority products;
 - f. support right to repair by introducing legal requirement on products;
 - g. ban hard to recycle products and make single-use cups a priority banned product; and
 - h. introduce a container deposit scheme.

Agriculture:

29. DCC submits that gross emissions reduction from across all sectors should be prioritised. This will reduce the amount of sequestration needed, protect productive farmland from conversion to forestry, and reduce the costs to all sectors of international offsetting.
30. DCC submits that relying on technology not yet proven in NZ risks failure to deliver emissions reductions. MfE analysis has shown there are existing practices and interventions

available to reduce farm emissions with negative, neutral, or low abatement costs. The Government should support farmers to utilise these practices with resources and incentives to use land in a resilient, low emissions way.

31. DCC submits that failing to meet emissions targets contributes to worse climate change impacts for farmers such as floods, droughts, sea level rise, and novel pests.
32. DCC submits that inaction risks making agricultural exports vulnerable by failing to meet the expectations of international markets if NZ does not meet its emissions targets and NDCs.

Forestry and Wood Processing:

33. DCC submits that gross emissions reduction should be prioritised, with removals used only for the hardest-to-abate emissions.
34. DCC supports improved biodiversity, resilience, and amenity/recreation value wherever possible for sequestration that does occur. Government should provide guidance, investment, and/or regulation to enable these improved outcomes from sequestration.
35. DCC supports the development of wood processing to promote local use and high value exports. Local wood use creates jobs, reduces freight emissions, enables more carbon storage in harvested wood products, and increases biofuel availability.

Non-forestry removals:

36. DCC submits that any approach to carbon sequestration or storage needs to avoid disbenefits or perverse outcomes. DCC are concerned that carbon capture, utilisation and storage (CCUS) may result in increasing overall emissions by increasing gas production as noted in the Technical Annex to the ERP discussion document.
37. DCC supports non-forestry removals that have co-benefits for indigenous biodiversity, ecosystem health, and community wellbeing. However, DCC submits that these removals should be used to offset the hardest-to-abate emissions.

Energy:

38. DCC supports the Government's focus on ensuring secure, reliable, and low-cost renewable energy supply, especially innovation in electricity tariffs which promote resilient and low cost distributed energy systems such as rooftop solar, and community energy projects.
39. DCC does not support the cancellation of programmes that were successfully enabling high-emitting sectors and energy users to transition. In particular, the *Government Investment in Decarbonising Industry* (GIDI) Fund and programmes from the Energy Efficiency and Conservation Authority (EECA) to reduce emissions from commercial and residential sectors.
40. DCC urges the government to provide more support for warm, dry housing, particularly in southern regions.

41. DCC does not support development of any new fossil-fuel baseload generation and submits that investments in energy infrastructure should be made for the long-term, rather than relying on gas as an interim fuel.
42. DCC are concerned by the proposal to enable CCUS because of the risks of leakage and the potential for increasing gas use to outweigh the carbon stored by such a scheme, as noted in the Technical Annex to the discussion document.
43. DCC continues to support a moratorium on deep sea oil and gas exploration and extraction in NZ waters and urges the Government to not reverse this ban as it would increase emissions.

Funding and Finance for Climate Mitigation:

44. DCC urges the Government to re-commit to ring-fenced funding for climate action from NZ ETS revenue. Government should provide funding from this to local government for climate action, focussed on community-led actions that increase wellbeing and address equity.
45. Local government is a key delivery partner in meeting climate goals but is funding constrained. Government should enhance local government funding for climate change initiatives, as this is critical to delivering the transition to a low emissions economy.
46. Dunedin city, like many areas of NZ, has areas that are vulnerable to climate change effects, but funding is limited for Councils to mitigate and adapt to climate change.

Conclusion

47. Overall, DCC submits that the Government should take a leading role in gross emissions reduction to support better long-term economic, environmental, and social outcomes for all New Zealanders.
48. The DCC thanks the MfE for the opportunity to submit on the discussion document for New Zealand's *Second Emissions Reduction Plan for 2026-2030* and welcomes all opportunities for partnership with the Government on our shared commitments.

Yours faithfully



Jules Radich

MAYOR OF DUNEDIN