Appendix 1 – Key points for council's submission to the Government's draft emissions reduction plan (ERP)

Policy and Strategy Areas	Council response
Aotearoa New Zealand's pathway to net zero carbon by 2050: • Vision, Purpose, Targets • Empowering central and local government, iwi/Māori, communities and business	• We broadly agree that a multi-sector strategy will help us move to the 2050 target, however, we are concerned that the consultation document doesn't yet include a comprehensive range of multi-sector options for addressing the issues and opportunities. • Local government will play a pivotal role in the transition to zero carbon, and many of the actions to be undertaken will have implications at the local level. We are concerned that this isn't reflected in the document. There is little reference to the role that local government can and will play, and the support, tools, resources and funding it needs to contribute to emissions reduction goals. • To support action at the local level, the Government should partner with local government (not just collaborate). • The proposed vision must better reflect the need for resilient communities (given the inter-relationship between climate change mitigation and adaptation action). • We acknowledge the need for a range of policy tools that enable New Zealand to mitigate the effects of climate change. However, new policy needs to complement existing emissions reduction tools, i.e. the New Zealand Emissions Trading Scheme (ETS).
Alignment of the transition with other policies	• We are concerned it's not clear how work on the emissions reduction plan (ERP) is aligning with other work programmes, in particular the reform of the resource management system, work on the National Policy Statement for Urban Development and development of the National Adaptation Plan. • It's critical that there's alignment between the ERP and the proposed new National Planning Framework, which we understand could include direction around reducing emissions through land-use planning decisions. • We encourage the Government to think about what tools are made available to local government and communities to support integrating consideration of emissions into land use planning decisions. These tools should be designed with local government. • It's important that work to reduce emissions aligns with work to build communities' resilience to the impacts of climate change. Recycling of revenues from the ETS to support adaptation/resilience action is one way in which alignment could be achieved. Institutional arrangements could help to ensure that communities are able to access the funding they will need for adaptation. Institutional arrangements must also enable adaptation action to be well-prioritised and planned to address priority risks. These suggestions should be looked at in the context of the work the Government is doing concurrently to design a managed retreat framework/adaptation fund/Climate Change Adaptation Act. We are encouraged by signals from the Government that this work is being looked at. • Clarity around how the Government is seeking to manage trade-offs would be helpful – for example, what is the Government's position around how trade-offs between growth and urban development and complying with environmental limits (including emissions reduction targets) should be managed?

Working with Tiriti partners	• It's critical that the Government understands how the changes it is proposing will affect iwi/Māori. • We encourage the Government to think about how it can work in partnership with local government to support its work with Treaty partners at the local level – local government's proximity to iwi/hapū means it's well-placed to support the Government with this. • Iwi/Māori will need financial support from the Government to build capability and capacity. The Crown (as Treaty partner) should also support local government to build its capability and capacity to work with iwi/Māori on climate change mitigation action. • We agree that the Government should support iwi/Māori to develop emissions profiles. The Government should think about how it can integrate this support with support for local government to develop community emissions profiles. (It's important to draw on local government's proximity to iwi/Māori and avoid unnecessary duplication of work by local government and iwi/Māori, given the significant amount of change and reform both are grappling with).
Working with local government	• As well as working in partnership with iwi/Māori the Government needs to work in partnership with local government to deliver mitigation action at the local level – although the ERP is a national plan, it will be delivered and have implications locally and regionally. • The ERP consultation document doesn't reflect the need for partnership with local government as strongly as the Climate Change Commission's Final Advice. That's despite a number of the proposals set out in the consultation document touching on local government roles/functions, and/or would be delivered, enabled and/or supported by local government (examples include land use planning, transport and infrastructure). • Working with local government will help the Government to understand the level at which various levers are best applied – local, regional, national. • The Government should assess the costs that its proposals would impose on local government and its communities. To help avoid equity issues associated with rates increases, national funding should be made available to help local government meet some of the costs of mitigation. Rates alone are unlikely to be sufficient. • Local government's proximity to communities means it's well-placed to help drive and influence some of the behaviour change that is needed. It also means local government is well-placed to help the Government understand the inequities that may result to local communities from the transition and how they can be supported through that transition. • Guidance on how to factor climate change into business cases/decisions on business cases and investment decisions would be useful. • Any guidance for local government should be developed in partnership with the sector – work with LGNZ and Taituarā to do this. • The consultation document fails to address a number of the recommendations in the Climate Change Commission's Final Advice on enabling local government to make effective climate change mitigation decisions:

	○ Recommendation 8 – that the Government commit to "aligning policy and investments to enable local government to make effective decisions for climate change mitigation and adaptation. This should include aligning the Local Government Act, the Building Act and Code, the Resource Management Act (RMA), national direction under the RMA, proposed RMA reforms and the infrastructure plan." ○ Recommendation that Government implement funding and financing mechanisms that provide adequate funding to enable local government to take action aligned with ERPs (and implementation of climate adaptation plans). ○ A recommended provisional progress indicator for the Government *"to have, by 30 June 2022, published an agreement that sets out the mechanism for achieving the necessary alignment between central and local government*" and that by December 2022 the Government publishes a work plan outlining how alignment and funding will be addressed, with milestones for achieving the plan. We support each of these recommendations and encourage the Government to reflect them in the ERP and in its work to develop the ERP. • Funding needs to be made available to councils to support mitigation action with/by our community. The following considerations should be taken into consideration when designing the fund: ○ Adequacy of funding is important, but appropriate timeframes for funding is also important. ○ Consider funding mechanisms which in themselves achieve emissions outcomes (eg road pricing) ○ Need to avoid a funding 'lolly scramble'. Contestable funding doesn't provide the predictability that helps with planning. ○ Funding will likely need to be scaled to reflect the many different starting points councils will be at. ○ Consider a base amount of funding for each council, with contestable top ups. Any additional funding should be underpinned by a good business case. ○ Need to strike the right balance between funding for national priorities carried out locally vs local priorities. ○ Do further analysis to understand what the funding demands are within different councils. ○ Prioritise projects that will generate the most emissions reductions, but need to balance this against equitable transition considerations. • The Climate Change Commission warned that cost pressures are likely to grow as local authorities respond to climate change and expressed a view that local authorities would need central government funding to manage the transition. Therefore, it's important that work on the ERP stays abreast of the work the Future for Local Government Panel is doing to look at funding and financing of local government.
Principles for the transition	• We broadly support the principles for transition. • We support the inclusion of the principle that decisions be guided by an evidence-based approach, but note that a number of the proposals in the consultation document haven't yet been quantified. The document identifies that a

	number of proposals need further assessment for effectiveness, value for money and implications for other Government priorities. • Recommend a principle focused around making decisions as to the appropriate scale/level for action – national, regional, local. There needs to be consideration of how national policies trickle down into local action. • Recommend including a principle that addresses working in partnership with local government, and making decisions that are guided by local perspectives, aspirations and objectives. • Recommend a principle that addresses the need for new policies to be supported by appropriate national level funding, and analysis of funding required at local/regional levels to support implementation.
Equitable transition	• The consultation document refers to empowering urban and rural regions and communities to transition in line with local objectives and aspirations. This is where partnership with local government becomes critical: local government knows what those objectives and aspirations are and is best-placed to know how to support communities to realise them. • The impacts of the transition will vary across the motu – local government is well-placed to understand and advise the Government of these impacts.
Aligning systems and tools	• We agree that Government accountability and coordination is essential for a well-resourced work programme that makes system-wide changes. We recommend that introducing Vote Climate Change (as recommended by the Climate Change Commission) is one way this could be achieved. The consultation document is virtually silent on the measures the Government is considering for supporting its implementation of/accountability for the ERP. • We agree emissions pricing plays an important role, as does funding and financing. Further work needs to be done to identify how ETS revenue could be recycled and what institutional arrangements could be put in place to ensure that this is used to fund critical climate change adaptation/resilience action, and to support an equitable transition. (Alignment with the Government's work on an adaptation fund). • Behaviour change is important and local government can play a role in supporting this given its proximity to communities. Understanding the barriers to changing behaviour, and designing programmes around these will ensure that funds are appropriately spent, and there is increased likelihood of achieving favourable outcomes. • We agree that alignment between emissions reduction goals and the planning system is critical, but are concerned that we're not seeing this play out yet. How will the ERP be reflected in the proposed National Planning Framework? What tools are being considered to support local government and communities to consider emissions reductions in land-use planning decisions? What guidance is being developed to support decision-makers to manage trade-offs between multiple, competing outcomes? • Importance of the Government working in partnership with local government to support emissions reductions through urban development. Local government needs more funding and financing options to support it to deliver infrastructure that supports zero carbon goals. The Infrastructure Acceleration Fund was a one-off investment as opposed to a long-term solution. The emissions reduction goals we have mean the rates system alone isn't going to be sufficient to pay for infrastructure long-term.

	• The development of the ERP and funding and financing tools to support action that contributes to carbon zero goals needs to align with the broader look at local government funding and financing that is happening via the Future for Local Government Review. (Particularly given that the Interim Report identifies funding climate change action as a significant challenge for local government). • We agree that there is a need to build central government capability in the climate change mitigation space. The same is true for local government. How can the Government work with local government to support this? • Coordinated consultations with local government, iwi/Māori, business and communities would be helpful. Throughout 2021 alone we've seen consultations on a number of work programmes that have emissions reduction focused goals: Transport Emissions Reduction Plan, Infrastructure Strategy, Building Code update etc. It is important that all of these work programmes are aligning, and are aligning with the ERP.
Planning	• We have concerns regarding the scale of reform proposed to the planning system, and the possibility that the reforms will not have the transformational impact that the Government is aiming to achieve. • Planning alone isn't going to address the issues – funding and financing of infrastructure is also important. And given strong signals that we're heading down a path of needing to factor emissions into land-use planning decisions, tools to support councils (and communities/consent applicants) to do this would be useful. • We agree that more high to medium density housing is a way to contribute to emissions reductions. But this needs to happen in partnership between central and local government, and needs to be supported by adequate funding for infrastructure. • Page 42 of the consultation document notes, "We do not know the total emissions contribution of urban areas. We need to develop a way to measure the emissions associated with urban development decisions." We agree with this, and urge the Government to do this in partnership with local government. This should incorporate the likely lifetime emissions of transport and energy use that would be enabled under different scenarios, and embodied emissions in buildings and infrastructure. Emissions impacts could then inform strategic, spatial and local planning and investment decisions and drive emissions reductions. • The consultation document refers to the Government requiring transport emissions impact assessments for urban developments and for these to be factored into planning decisions, with requirements to avoid, minimise and mitigate transport emissions impacts. While we support this in principle, the issue is how these assessments are going to be supported and funded. What tools can be made available to support local government to undertake consistent and cost-effective assessments? Any tools should be developed in partnership with local government.
Research, science and innovation	• We support more investment in research, science and innovation but need practical tools and resources that support action by local government and communities (e.g. consistent tools for measuring and reporting emissions; undertaking governance assessments), not only academic studies. • We encourage the Government to work with tertiary sector and member bodies to ensure that local government (and central government) has the capability and capacity it needs for this work long-term (i.e. having capability and capacity in-house as opposed to always relying on input from external consultants).

Behaviour change	• Refer to earlier comments around the role that local government can play in supporting behaviour change at the local level. • Local government has, for a number of years now, called for a national campaign to drive behaviour change (similar to road safety campaigns). We believe that the design of behaviour change should be lead by behavioural psychologists, and be underpin but community based social marketing tools. • We welcome behaviour change campaigns that drive positive change and align with local aspirations and objectives – local government can support with developing such a campaign. (i.e. don't want a campaign similar to the 3 Waters campaign that didn't land well with communities). • In principle we support the establishment of a behavioural change fund. This should be available to local government to support change with their communities at the local level.
Circular and bioeconomy	• We support the development of a strategy for moving to a circular economy with a thriving bioeconomy, and recommend that the Government partner with local government to deliver this to ensure that local considerations/challenges/opportunities are taken into consideration. • We request that local government be eligible for the pilot fund.
Transport	• We note that this is the sector for which there is the most comprehensive list of possible measures. • We welcomed the Climate Change Commission's recommendation that the Government provides local government with greater support to reduce communities' reliance on cars, including through legislation, removing regulatory barriers, and providing increased and targeted funding, and that the Government works with local government to set targets and implement plans to substantially increase walking, cycling, public transport and shared transport by the end of 2022. • We agree that the Government must partner with iwi/Māori to co-design and develop solutions to reduce transport emissions. It must also partner with local government to do the same, given the critical role local government plays in planning, funding and delivering transport networks and options. The relationship with local government needs to be more than just strong collaboration and a joined-up approach, but a partnership. • Any review of Regional Land Transport Plans needs to be done in partnership with local government and needs to align with changes to other planning processes – particularly through the RM reform. • Integrating land-use, urban development and transport planning and investments will require partnership with local government. However, we acknowledge that this approach will take relatively long time frames to see the associated reduction in emissions and shorter term initiatives should also be a priority. • We support the Government's intent around reducing emissions by cars and light vehicles by 20 per cent by 2035 through providing better travel options, particularly in New Zealand's largest cities. However, we question whether utilising the yardstick of vehicle kilometres travelled (VKT) is appropriate. As the percentage of electric increase over time the VKT's relevance with respect to emissions decreases. In addition, it does not ensure that the relationship between fuel economy and speed, congestion and emissions is recognised and better understood. VKT ignores fuel economy and any potential change to fuel consumption and resulting emissions from changes in

	speed and congestion. We would support an alternative measure related to Vehicle Minutes Travelled as it would also factor in congestion. We also suggest that consideration be given to providing a target for VKT by fossil fuelled vehicles. • Will require greater funding/funding tools to support infrastructure development. • Local government is well-placed to advise on transition considerations. • Local government would welcome financial support from central government to make public transport cheaper. • We agree in principle with the proposal to make changes to regulation to make it easier for local government to reallocate road/street space rapidly for public transport, walking, cycling and shared mobility in urban areas and create an expectation this will occur. The Government needs to work in partnership with local government to design regulations that will work and that don't have unintended consequences. Funding/funding tools to support infrastructure development is also important here. • Any investigation of ways to raise revenue for transport in the future, including replacing the land transport funding system, needs to happen in partnership with local government. • While we welcome the recommendation around "enabling congestion pricing and investigate how we can use other pricing tools to reduce emissions" this recommendation lacks ambition – road pricing tools should be enabled not just investigated further. Local government has been calling for road user charging for some time (as far back as the joint Local Government New Zealand/Automobile Association/Road Transport Forum submission on Land Transport Funding in 1993). 'The Congestion Question' work on congestion pricing commenced in 2017 and as at May 2021 timeframes for final recommendations from the Select Committee enquiry are yet to be confirmed. Decisive action is needed with urgency in this regard. • Road pricing appears to only be under serious consideration for Auckland (acknowledging there is some signalling in the consultation document that it could be looked at for Wellington). The Government should work with other councils to look at introducing it elsewhere and Tauranga Council is willing to engage around the opportunity of a pilot given our traffic growth and funding issues. • Road tolling – currently can only happen on the issuance of an order-in-council by the Governor-General on the recommendation of the Minister of Transport. A stringent set of criteria, on top of public consultation. Making road tolling easier (of new and existing roads) should be explored. Section 46 of the Land Transport Management Act could be amended to permit tolling of existing road use subject to consultation with the public. Tolling of new and existing roads could be a useful intermediate step to full road pricing. • Integration of transport and land use planning is important, so the Government is going to need to address some of local government's concerns around the development of planning instruments by regional bodies (RM reform proposals) that aren't necessarily responsible for implementing them. • Price alone isn't going to generate the mode shifts that are needed – the public transport network needs to be convenient for users too, which is why integrated land use and transport planning is important. Spatial planning can help with this – which goes to the importance of aligning work on the ERP with the RM reform programme. Further work needs to be done to address how implementation of regional spatial plans will be supported by central

	government, particularly with funding, and how to address some councils' concerns around the potential for loss of local voice/decision-making in spatial planning (with potential consequences for buy in from those councils around implementation). • Local government can help to drive mode shift with its communities. Mode-shift plans for urban areas need to be developed with local government. Although the plans will need to align across the motu, they will differ based on area. Local government input into those plans is needed from the outset. Funding the delivery of these plans is going to be the critical issue. • Development of a national EV infrastructure plan should include local government given the need for implementation across the country.
Building and construction	• We are in principle supportive of initiatives to reduce emissions from buildings – both operational and embodied emissions. • But the transition needs to be equitable and consistent with the Government's objectives around housing availability and affordability. • ERP needs to align with the updates to the Building Code that MBIE has recently consulted on – particularly around energy efficiency in buildings. We support the Taituarā submission on those proposed changes.
Waste	• Partnering with local government on any initiatives to reduce emissions from waste is critical. • There needs to be alignment between the ERP and the Ministry for the Environment's waste work programme, including a new waste strategy and waste legislation that it is consulting on now. • We acknowledge that preventing waste at source is the most effective way to reduce emissions. • 2018 LGNZ remit called for the Government to expand the waste disposal levy and progressively raise the levy rate in order to reduce total waste to landfills. • We also need to find ways for local government to partner with the private sector and community to reduce emissions from waste – local government is only partially responsible for the emissions from waste.
Other comments	• The Government's consultation document largely looks like the Government's Transport ERP. There is a need for considerably more work on other sectors if real progress is to be achieved. • The consultation the Government has embarked upon isn't necessarily the most effective way to gather a broad range of views and ideas from a broad range of New Zealanders. The timeframe for providing feedback is short and the standard Government approach to consultation won't necessarily reach or engage with a broad range of communities and stakeholder groups. This is at odds with the recommendations the Climate Change Commission made around more innovative ways of gaining input from New Zealanders, including a citizen's assembly or other participatory approaches. We would welcome a more participatory/democratic approach to developing the ERP but acknowledge that the timeframes the Government is working to are such that this is unlikely to be achievable. We hope that this feedback will see changes made to the way consultation is undertaken for the next iteration of the ERP (emissions budget 2).

	• All of the comments made around the importance of funding/funding tools to enable infrastructure development emphasise the importance of a broader discussion around the funding and financing of local government's activities. Work on the ERP needs to align with the work of the Future For Local Government Panel (to look at funding and financing).