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Infrastructure New Zealand submission on the Climate Change Commission's 2021 Draft Advice for Consultation

Summary of key points

Infrastructure New Zealand generally supports the Climate Change Commission's (the Commission) Draft Advice. We note the urgency of our climate problem and encourage the Government to ensure proposed reductions meet agreed objectives.

We consider the Commission can adopt a more positive focus on the opportunities that decarbonisation will present, noting that many of the apparent costs from lower emissions will also result in improvements in performance, levels of service and quality of life. Decarbonisation is as much an investment in our future as it is a cost to be minimised.

We believe New Zealand's principal such opportunity is in transport and the replacement of New Zealand's aged, inefficient and comparatively dirty vehicle fleet with newer, safer, cheaper and cleaner electric (and potentially hydrogen and/or biofuel) vehicles.

The mechanism to achieve rapid reductions in transport emissions is targeted investment in renewable energy networks which increase the attractiveness of low-carbon alternatives, rather than regulatory measures which increase costs and penalise longstanding habits.

Initiatives which make it easier and more attractive for the public to make low carbon choices will in our view achieve faster reductions and reduce the risk of public backlash. It is of the highest importance that New Zealanders do not become resentful of climate change policies.

We agree that New Zealand needs a collective, coherent, and committed approach to emissions reductions. This will necessitate a national energy strategy comprising a cohesive view on how the electricity network will need to change and what role other energy sources including hydrogen and biofuels play and when.



Introduction

Infrastructure New Zealand is the peak industry body for the infrastructure sector and promotes best practice in national infrastructure development through research, advocacy and public and private sector collaboration. Infrastructure New Zealand members come from diverse sectors across New Zealand and include infrastructure service providers, investors, and owners.

This submission represents the views of Infrastructure New Zealand as a collective whole and may not necessarily represent the views of individual member organisations.

Our submission focuses on the key themes that affect the infrastructure sector and any lessons our sector has learned that can benefit the Commission and Government in considering the challenges ahead. These include sector-specific feedback on transport and energy, as well as cross-cutting issues such as focusing on benefits as well as costs, the speed of our transition, improving our valuation of co-benefits, and the need for a whole-of-government approach.

Emissions reduction is not all bad news

We observe that much of the Commission's advice – and the messaging surrounding it – has focused on the *costs* of emissions reductions, and not on the *benefits*.

This focus on costs is not unique to the Commission but cuts across much of Government.

While this cost focus is appropriate for responsible fiscal stewardship, this cautious approach has led our country to avoid the major investments and transformations that are needed to create long-term success.

Focusing on the costs of spending rather than the benefits of investment have made us delay and underfund key investments and degraded our transport, housing, water, and social infrastructure.

We cannot make the same mistakes on climate change.

The upsides of decarbonisation are many and are likely to be underestimated in light of the many co-benefits and unforeseen benefits that will come. These also include the new jobs and industries that can be created through decarbonisation, and the value of New Zealand being seen as a leader in climate emissions reductions.

We had hoped that the Commission would have a more positive framing in its Draft Advice which would make the case to Government and society that this change is not simply required, but also desired. **The Commission should further investigate and emphasise this positive case more in its final advice to Government.**

New Zealand can move quicker

As a moderately wealthy, developed country which has benefited from decades of high carbon emissions, it is fair and appropriate that New Zealand carries its weight in carbon emissions reductions and moves even further to account for the success we have had due to past emissions.

The Draft Advice includes what it describes as ambitious but achievable targets for emissions reductions. We believe they can be more ambitious and still be achievable.

The scale of the climate change challenge ahead of us is significant, and any effort we can do now to avoid adaptations in the future will be resources well spent.

From transport to building and process heat, we suspect that there is ample room for New Zealand to further accelerate our decarbonisation. For instance, the New Zealand Green Building Council believes there is a much larger and more rapid emissions reduction potential for our homes and buildings.¹

Transport decarbonisation is our greatest opportunity

As the Commission's draft evidence has indicated, we will have to rely more heavily on transport and heat, industry and power sectors to decarbonise in the short-term.

These industries are already technologically capable of rapidly decarbonising and therefore, should be more heavily relied on for short-term carbon emissions reductions.

Recent work has shown that every year we delay our inevitable electrification raises our 2050 emissions by 1% (necessitating harder abatement) and costs our economy almost a billion dollars.²

This decarbonisation is not a mere cost, but an investment in rapidly improving transport across our country.

¹ New Zealand Green Building Council (3 Feb 2021) *Climate Change Commission advice on homes and buildings: ambitious enough?* Available at: https://www.nzgbc.org.nz/KNOWLEDGEHUB/Story?Action=View&Story_id=651

² Concept Consulting and Retyna (2021) *Shifting gear: How New Zealand can accelerate the uptake of low emission vehicles: Report 1: Policies to incentivise EV uptake*. Available at: https://www.concept.co.nz/uploads/1/2/8/3/128396759/ev_study_rept_1_v1.0_1_.pdf

Electric vehicles are already cheaper to run over their lifetime, and soon will have lower capital costs, improve urban air quality, have lower lifecycle carbon emissions, and have no greater impact than conventional vehicles on resource depletion of rare earth metals or other minerals.^{3,4,5}

These benefits are an opportunity for New Zealand to invest in a safer, healthier, more sustainable, and more affordable transport system. **The costs of decarbonising our vehicle fleet are investments in a better future for New Zealanders and we encourage the Commission to investigate ways to further accelerate EV uptake which also promote social equity and access such as through feebates, scrappage schemes, emissions requirements, etc.**

New Zealand's slow progress on decarbonising private vehicles to date shows that the current approach is insufficient and now deserves extra attention to make up for lost time.

In Evidence Chapter 17, the Commission notes that the second-hand vehicle market is significant to our vehicle fleet and will be a key determinant of our vehicle emissions. While the Commission is right to consider this, we do not consider that past performance should be a standard by which future success is constrained.

New Zealand has historically made little use of incentives and other mechanisms to influence market decisions and, with such mechanisms in place, we consider there is a material opportunity to accelerate the electrification of the vehicle fleet. We would like to see further investigation of financing solutions which allow New Zealanders to replace more expensive combustion vehicles using operating cost savings. Many investors are offering lower costs of lending for sustainable initiatives and competitive interest rates are available for activities which may include the replacement of conventionally powered vehicles.

Charging infrastructure will play a key role

Concerns around range-anxiety and the unfamiliarity of a new technology continue to hold back drivers from switching to electric vehicles. To this end, the Government will need to be aware of the charging infrastructure required to power new vehicles.

As with all infrastructure, the investment is best done in advance when it can act as a catalyst for activity rather than overdue reaction to a strong need. Infrastructure are investments which enable the future, not quick fixes after the fact.

³ Energy Efficiency and Conservation Authority (2015) *Life Cycle Assessment of Electric Vehicles*. Available at: <https://www.eeca.govt.nz/our-work/research/research-papers-and-guides/lifecycle-assessment-of-electric-vehicles/>

⁴ Transpower (2021) *A Roadmap for Electrification: Decarbonising transport and process heat*. Available at: <https://www.transpower.co.nz/about-us/transmission-tomorrow/electrification-roadmap>

⁵ Concept Consulting and Retyna (2021) *Shifting gear: How New Zealand can accelerate the uptake of low emission vehicles: Report 1: Policies to incentivise EV uptake*.

We are encouraged by the progress made to date through the Low Emission Vehicles Contestable Fund, producing over 600 chargers across the country.⁶ We would expect the Government to maintain a strong database of the charging network, ensuring these assets are maintained and upgraded, and ensure that this infrastructure is serving all communities across New Zealand, not merely the wealthier or most trafficked areas.

Given the high reliance on private vehicles outside of our major cities, these communities will also need a robust network to provide assurance that their shift to decarbonise transport will be supported.

A similar network for hydrogen fuelled vehicles is also likely required, particularly to encourage our heavier, long-haul trucks and buses to decarbonise. The work by Hiringa to date appears promising,⁷ however we urge the Government to watch the development of hydrogen refuelling infrastructure to ensure it occurs with sufficient pace to deliver the decarbonised transport outcomes we want.

We consider there is a strong case for leading public investment in pursuit of long term carbon objectives which sustain mobility and accessibility for New Zealanders. It is imperative that investment deficits in supporting infrastructure do not discourage New Zealanders from switching to more fuel efficient vehicles.

Mode-shift will be insufficient and too slow for our near-term goals

The Commission's Draft Advice has placed an appropriately low emphasis on mode-shift from private vehicles to active and public transport modes. We agree with this assessment.

While New Zealand has a strong dependence on private vehicles, these vehicles also keep our society and economy moving. Whether they are trips to visit family, children's activities, local deliveries, or ride-sharing, private vehicles are currently one of the best modes for New Zealanders to get around. While this pattern may change over time with changing urban forms, this will be a slow shift (see further discussion below). Travelling to and from work, where most people often focus, is still only 20-30% of all journeys in New Zealand,⁸ and the solutions we develop for commuting may not always address other needs.

⁶ Gen Less (n.d.) *Low Emission Vehicles Contestable Fund*. Available at: <https://genless.govt.nz/running-a-business/co-funding-and-support/low-emission-vehicles-contestable-fund/summaries-of-approved-projects/>

⁷ Hiringa (n.d.) *Introducing Aotearoa's Nationwide Hydrogen Refuelling Network from 2021*. Available at: <https://www.hiringa.co.nz/refuelling-network>

⁸ From 2015-2018, 11% of trips were "to work" while 32% of trips "went home". If we assume that trips to work are matched from trips *from* work to home, this would result in 22% of trips going to or from work. Another 7% of trips are "made for work", for a total of 29%. The balance of trips are other trips that go home, shopping or personal appointments, social visits and entertainment, etc. Ministry of Transport (n.d.) *Household Travel – Key Facts – 05 Why we travel*. Available at: <https://www.transport.govt.nz/statistics-and-insights/household-travel/sheet/key-facts#element-191>

We would be pleased to see significant mode-shift to other modes, with concomitant co-benefits, however we observe that New Zealanders are currently making rational decisions that align with their needs and desires. We would resist overly punitive measures to force drivers out of their cars, as these may be ineffective and may have net negative impacts, including to make New Zealanders resistant to carbon reduction.

We note the cost of public transport is not insignificant, particularly with recent projects often touching multiple billions of dollars, and the mode-shift impact of these is often marginal, implying very high abatement costs.

Investment in walking and cycling is important, but the embodied carbon in dedicated facilities demands that patronage is sufficient to ensure carbon reduction is achieved. Unrealistic or overly aspirational expectations for active transport use may not result in material reductions of carbon.

Of course, public and active transport deserves significant and appropriate funding going forward, but the key benefits are often around urban development, energy- and time-efficiency of travel along key corridors, equity, or accessibility.

Recent work by MRCagney and The 1point5 Project around Auckland's transport emissions elegantly outlines the shape of the problem.⁹ Their online calculator shows that despite making significant assumptions about public transport ridership and cycling mode-shift, only around 20% emissions savings can be achieved by 2030.¹⁰ In contrast, if nothing else changed in Auckland but all cars became electrified, the model shows an 89% reduction in emissions by 2030.

It can be argued that only Auckland, Wellington, and Christchurch are the only cities with sufficient demand, scale, and density to support high quality and frequent public transport services or a significant shift to active modes. For the other half of the country, private vehicles will remain their mode of transport for the foreseeable future.

Decarbonising New Zealand's transport will need to address this significant portion of our travel, and this will only be addressed by changing our vehicle fuel, not our transport modes, at least in the near term.

Road pricing is not an effective tool to meet decarbonisation goals

Necessary Action 3 in the Commission's Draft Advice includes suggestions to look at road pricing to reduce transport emissions.

⁹ MRCagney (n.d.) *Auckland's Transport Emissions*. Available at: <https://transport2030.org/>

¹⁰ We assumed all public transport projects were completed, that public transport ridership grew by 250%, and that cycling reached Copenhagen levels.

Infrastructure New Zealand is a long-time supporter of road pricing due to its significantly positive economic and social benefits in saving people and businesses from the wasted time and costs of congestion.¹¹

These schemes can have concomitant co-benefits in air quality, carbon emissions, and in raising government revenues. However, a key lesson from schemes overseas has been that diluting the focus of road pricing from improving network performance to other goals often results in worse outcomes across the board.^{12,13}

Road pricing is a way to fairly price the congestion externalities of driving and encourage drivers to time-shift or eliminate their least important trips. It is not, and should not be considered, a way to stop people from making the important journeys that keep our society and economy running.

If a road pricing scheme was designed to target mode-shift, revenue raising, or reduction in vehicle kilometres travelled (VKTs), there is a serious risk the scheme would unnecessarily and unfairly penalise trips that are hard to shift to other modes or times, or that are hard to eliminate. These schemes often hurt public perception, which is an essential aspect to their long-term success.

Major research into road pricing in Auckland was recently completed by The Congestion Question, a project under the Auckland Transport Alignment Project.¹⁴ That assessment focused on the goal of improving network performance. Their analysis indicates that the two most promising schemes would yield carbon emissions reductions of between 0.12-0.83% compared to their BAU scenario.¹⁵

These results are unsurprising since an effective road pricing scheme needs to only see a minor reduction in VKTs (and therefore carbon emissions) to achieve optimal flow during peak periods. Other research has found similarly small or single digit reductions in carbon emissions from road pricing schemes.^{16,17}

We note that the role of road pricing in reducing emissions is often based on the assumption that private vehicle transport will be internal combustion engine (ICE)-dependent. If the vehicle fleet

¹¹ NZCID (2012) *Aucklanders' views on alternative transport funding options*; NZCID (2016) *Transport Solutions for a Growing City*; NZIER (2017) *Benefits from Auckland road decongestion*. All available at:

<https://www.infrastructure.org.nz/Reports>

¹² International Transport Forum (2018) *The Social Impacts of Road Pricing: Summary and Conclusions*. Available at: <https://www.itf-oecd.org/sites/default/files/docs/social-impacts-road-pricing.pdf>

¹³ Auckland Transport Alignment Project (2020) *The Congestion Question: Technical Report*. Pages 49, 53. Available at: <https://www.transport.govt.nz/area-of-interest/auckland/the-congestion-question/>

¹⁴ Ministry of Transport (n.d.) *The Congestion Question*. Available at: <https://www.transport.govt.nz/area-of-interest/auckland/the-congestion-question/>

¹⁵ Ministry of Transport (2020) *The Congestion Question Technical Report*. Page 88. Available at: <https://www.transport.govt.nz/assets/Uploads/Report/TheCongestionQuestionsTechnicalReport.pdf>

¹⁶ Cavallaro et al. (2017) *The potential of road pricing schemes to reduce carbon emissions*. Transport Policy, volume 67, pages 85-92.

¹⁷ International Energy Agency (2014) *Energy Technology Perspectives 2014*. Page 42. Available at: <https://www.iea.org/reports/energy-technology-perspectives-2014>

proceeds to rapidly decarbonise, which we believe it should, the carbon emissions from reducing VKTs will reduce significantly.

The Congestion Question suggests the earliest implementation by 2025. As a result, we expect emissions reductions from any road pricing in New Zealand will be dwarfed within a single year from the shift to EVs.

The Commission should continue investigating the climate co-benefits of road pricing, but also acknowledge that these schemes are best suited to improving network performance. A demand management approach, as its often termed, needs to be very carefully considered given the negative impacts on equity and economic activity.

Appropriate funding will be important for a fair and robust transport system

A decarbonised vehicle fleet will impact our National Land Transport Fund (NLTF), which is used to maintain our transport network.

Electric vehicles are currently exempt from paying road user charges (RUC) until the end of 2021.¹⁸ While this exemption provides a minor subsidy to encourage electric vehicle uptake, if this is extended it will have a major impact on the reliability of funding for the NLTF, with consequent effects on transport investment in New Zealand.

Unlike fuel excise duty (petrol tax), RUC is not affected by vehicle efficiency and is a suitable system to apply to all vehicles in the future.

We support the Commission’s Necessary Action 2, which in part recommends greater central government funding for low emissions transport and alternative modes, but we suggest that the NLTF is not the appropriate source for this funding.

Decarbonisation through urban form requires more analysis

We agree with the Commission that urban form decisions can have, and have had, an impact on carbon emissions.

However, we consider that much more information is required to understand what this relationship is and will be in the future.

It is not clear to us, for example, whether a dynamic urban form where employment and housing is enabled to co-locate is more or less carbon intensive than more static urban patterns based on a dense employment core supported by large capacity, fixed rapid transit.

¹⁸ Ministry of Transport (n.d.) *Electric Vehicles Programme*. Available at: <https://www.transport.govt.nz/area-of-interest/environment-and-climate-change/electric-vehicles-programme/>

We are not clear whether a low density urban form comprising single level timber-based dwellings connected by electric vehicles is more or less carbon intensive than much more energy dense land use patterns supported by rapid transit.

Nor do we know, where any such pattern is more carbon efficient than the alternative, whether the amenity value to residents exceeds the additional carbon emitted and whether those residents would prefer to reduce carbon in other areas.

We do know that the only people who know the answers to these questions are the individuals themselves, where they have accurate price signals. The focus on the Commission with regard to land use and transport decisions must remain on appropriate carbon pricing to ensure individual decisions are informed by accurate price signals.

We support the ETS and consider it is a much more effective mechanism to inform land use and transport decisions than authorities making generalised decisions about individual circumstances.

We encourage the Commission to avoid recommendations which favour lifestyle decisions on behalf of residents and to instead focus on, firstly, understanding the emissions created through the construction and function of the built environment and, secondly, developing pricing mechanisms to inform individual decisions.

Decarbonised energy, not electricity, should be our goal

Decarbonising our economy will go hand in hand with electrifying it, but this is not to say that electrification is the only mechanism to decarbonise.

We strongly support continued investigations in hydrogen, biofuels and other options, but do note that, in the nearer term at least, decarbonisation will move in sync with new electricity generation.

Our electricity network is highly renewable and is already becoming more renewable as wind and solar generation is expected to be the economical choice for further generation.¹⁹ It is appropriate that we lean on this strength to decarbonise our broader *energy* consumption.

The Commission has agreed with the growing consensus of experts that, as the Interim Climate Change Commission found: “instead of pursuing a 100% renewable electricity future by 2035, more emissions savings could be achieved through accelerated electrification.”²⁰

We strongly support Time critical necessary action 3, which focuses on a national *energy* strategy that will coordinate efforts across government, inform other reforms (notably, resource management) and

¹⁹ The Interim Climate Change Committee noted that “the electricity system is on track to achieve about 93% renewable electricity by 2035 without further intervention”. ICC (2019) *Accelerated electrification*. Page 61. Available at: <https://www.iccc.mfe.govt.nz/what-we-do/energy/electricity-inquiry-final-report/>

²⁰ Ibid, page 63

provide clarity for the private sector. We support the investigation of the Lake Onslow hydro battery project, but we would expect any eventual decision to be supported by demonstrated benefits in excess of costs.

A decarbonised economy will need a robust electricity network

The Commission has rightly identified that our electricity network will need to be up to the challenge of the increasing demand it will face over the next decades. This will present new challenges that the network may not be currently ready for, including:

- Our current suite of generation has not had to face the same daily and seasonal shifts that will come with increased reliance on wind and solar generation.
- Our current transmission grid is built around a major industrial user in the South Island which may not be present in the long-term.
- Our current distribution grids were not originally conceived to handle distributed energy resources or demand response technologies which will likely be necessary for off-peak electric vehicle charging in future.
- Generation, transmission, and distribution also face significant consenting barriers which potentially make electricity more expensive than it should be and slower to deliver than it can be.

All these changes will need to be addressed to safeguard an electrified future.

One issue of particular note is the importance of changes to generation which not only ensure a shift to renewable sources, but also ensure the resilience, reliability and affordability of electricity supply.

We share the concerns of submitter Geoff Hunt with respect to decisions to close Huntly in advance of reliable, resilient and affordable alternatives and support his submission.²¹

A whole-of-government approach to decarbonisation (addressed further below) is needed to ensure that parallel reform processes, such as the resource management reforms, are cognisant of our rapid decarbonisation goals.

We concur with the Commission's analysis that the electricity regulatory regime "will need to quickly adapt and respond to new developments, to facilitate changing electricity market functions that will be driven by the electrification of transport and industry, and the adoption of distributed energy resources."²²

The current regulatory regime tends to take a one-size-fits-all approach to distributors, which has struggled to support major investments. Recent challenges with Aurora Energy's assets in Otago have

²¹ Geoff Hunt, Submission to the Climate Change Commission Draft Advice 2021.

²² Climate Change Commission (2021) *2021 Draft Advice for Consultation, Evidence Chapter 17: The direction of policy for Aotearoa*. Page 32.

also revealed weaknesses in the oversight regime charged with ensuring good service outcomes. We have expressed these concerns elsewhere.²³ We remain concerned that the situation observed with Otago’s distribution network may not be unique.

The Productivity Commission’s *Low-emissions economy* report appropriately observed that: “the distribution system is still largely orientated towards minimising distribution investments and supplying a bundle of network services within a constrained set of possibilities. Current regulation fits this approach, but is unlikely to successfully accommodate the contribution of large amounts of small-scale, distributed renewable energy in the future.”²⁴

Given the importance of robust distribution networks for our electrification, the Commission and the Government should consider investigating the state of our distribution assets and their readiness for the challenges of distributed energy resources, demand response technology, and more extreme climate events going forward.

Measuring co-benefits will drive action in useful directions

Numerous groups have identified the co-benefits of reducing carbon emissions on the rest of our economy and society. Indeed, the Commission’s Draft Advice, and this very submission has identified a number of these when making the case for new investments.

However, the challenge remains for decision-makers, particularly those making investment decisions, to find a consistent way to measure and compare co-benefits alongside the conventional economic costs.

This problem is common across infrastructure, particularly transport infrastructure. Advocates for public transport and active modes often cite that these modes provide health, congestion, or decarbonisation benefits. Advocates for private vehicles often cite that these modes provide choice, time savings, or flexibility. In a similar vein, decisions to decarbonise the vehicle fleet or reduce our agricultural footprint are often framed in light of co-benefits such as safety or air quality.

However, in the absence of evidence to quantify and compare these benefits, many of these discussions become a disagreement of opinion or worldview rather than a discussion of facts.

There is the need for better evidence and data to inform these co-benefits, to ensure we do not spend excessively on projects based on minor co-benefits.

²³ Infrastructure New Zealand (20 Aug 2020) *Submission on Aurora Energy’s investment plan for a Customised Price Pathway*. Available at: <https://www.infrastructure.org.nz/Submissions>

²⁴ New Zealand Productivity Commission (2018) *Low-emissions economy*. Page 414. Available at <https://www.productivity.govt.nz/inquiries/lowemissions/>

For instance, reducing our private vehicle usage will likely reduce emissions to some degree. However, if all private vehicles are being electrically powered, there may be other investments that have a lower marginal cost of abatement compared to the cost of shifting travellers between modes.

To this end, we strongly support the Commission’s Necessary Action 1e which emphasises the need for greater evidence to inform factoring co-benefits into other policy. While we do not want the absence of evidence to prevent action in the right direction, we advise caution in focusing on co-benefits where the evidence is lacking.

A whole-of-government approach is necessary

The Commission has rightly identified that integrating government policy making will be essential (Necessary Action 15).

Cross-department collaboration will be important to tackling climate emissions not only because the challenge touches all aspects of our government and society, but also because, through the ETS, emissions efforts in one part of our country need to be counted and fairly priced to avoid the waterbed effect from preventing forward progress. We are encouraged that the recent Public Service Act 2020 can catalyse further inter-departmental action on climate change across central government.

We note that collaboration with local government will be equally important, particularly because of its key role in consenting, land use planning (including managed retreats), and in taking care of our local transport and water networks.

We support Enabling Recommendation 4 as a means to coordinate central and local government action, and in particular the funding and financing mechanisms to enable this. Over the past decades, local governments have received increasing regulatory mandates from central government with little supporting funding. They have been obliged to do more with less, all while their populations grow out of control largely to the benefit of central government.

The requirement to achieve more without necessarily the resources to do so has contributed to a negative attitude to growth across local government. We are very concerned that requirements on local government to manage down carbon emissions will exacerbate negative attitudes to growth, leading to local decisions which make housing and travel more expensive. **It is of the highest importance that the Commission ensures that the incentive to reduce carbon across local government does not drive up housing costs, exacerbating inequality, or worsen the infrastructure deficit.**

The Government should take a collaborative and co-funding approach to new regulatory burdens so that local authorities and communities are not inappropriately burdened with the costs of significant waste avoidance and recovery infrastructure.

The Government will need to develop a more constructive relationship with local government, particularly through greater awareness of local government funding challenges and realistic and sustainable solutions.

Summary

Infrastructure New Zealand generally supports the Climate Change Commission's Draft Advice. We note the urgency of our climate problem and urge the Government to ensure our proposed reductions will meet our strong commitments made in international agreements.

We encourage the Commission to have a positive focus on the opportunities that decarbonisation will present, framing it as much as an investment in our future than in a cost to be minimised.

We believe New Zealand can and should move quicker on decarbonising transportation, as this is our greatest opportunity to move rapidly to meet our commitments. The mechanism to achieve this is targeted investment in renewable energy networks which increase the attractiveness of low-carbon alternatives, rather than regulatory measures to require change, and programmes which make it easier for the public to make low carbon decisions.

We consider there remains a risk of public backlash and opposition resulting in slower carbon reduction if individuals, businesses and communities perceive climate change policy to be out of step with lifestyles or affordability.

We agree with the Commission that a commitment to renewable energy, rather than electricity, is the reasonable approach to decarbonising our nation. This will necessitate a national energy strategy comprising a cohesive view on how the electricity network will need to change and what role other energy sources including hydrogen and biofuels play and when.

We urge the Commission to maintain a clear focus on evidence-informed advice, particularly when considering co-benefits and difficult-to-quantify factors.

We agree that New Zealand needs a collective, coherent, and committed approach to emissions reductions. This will necessitate strong Government communication, bipartisanship, collaboration between agencies and tiers of governments, and predictable measures for businesses, communities, and people to rely on.

We thank the Climate Change Commission for the opportunity to comment. If you have any questions regarding this submission, please contact Infrastructure New Zealand's Policy Director, Hamish Glenn, at hamish.glenn@infrastructure.org.nz.