

27 June 2022
Via Website

SUBMISSION TO THE ENVIRONMENT SELECT COMMITTEE ON THE EMISSIONS BUDGET AND THE EMISSIONS REDUCTION PLAN

Thank you for the opportunity to present this submission on the Emissions Reduction Plan and emissions budgets.

The Queenstown Lakes District Council (QLDC) is supportive of the development of an Emissions Reduction Plan to reduce carbon emissions in Aotearoa New Zealand, combat climate change and meet the country's net-zero emissions targets.

This submission outlines key changes that are supported by QLDC and key points that QLDC would recommend for further consideration.

QLDC supports key changes in the Emissions Reduction Plan such as including the Climate Changes Commission's advice, the principle to empower Māori, the role of local government being clearly defined, and other changes to support an equitable and comprehensive plan to lower emissions in New Zealand.

Emissions related to tourism and the visitor economy are not visible within the Emissions Reduction Plan. Given their significance within the Queenstown Lakes District and to the national profile, QLDC would recommend these are given greater consideration.

There are further points that the QLDC would recommend for consideration, such as reducing the emissions budget, supporting global emissions reduction, greater regulation and significant investment in behaviour change, placement of responsibility on those with the greatest emissions profile, and effective spatial planning.

QLDC would like to be heard at any hearings that result from this consultation process. It should be noted that due to the timeline of the process, this submission will be ratified by full council retrospectively at the next council meeting.

Thank you again for the opportunity to comment.

Yours sincerely,



Jim Boulton
Mayor



Mike Theelen
Chief Executive

SUBMISSION TO THE ENVIRONMENT SELECT COMMITTEE ON THE EMISSIONS BUDGET AND THE EMISSIONS REDUCTION PLAN

1.0 Context of the plan in relation to QLDC

- 1.1 Queenstown-Lakes District (QLD) is a district with an average daily population of 50,550 (visitors and residents) and a peak daily population of 112,150¹.
- 1.2 Our residents are highly climate-conscious and passionate about the integrity of the environment. Most people move to the district because of a connection with the lakes and mountains; it's this connection that drives many to participate in climate action, sustainability, and conservation initiatives.
- 1.3 The district is also proud to have a number of highly active community groups that are focused on sustainability and environmental protection, which have contributed to the development of an engaged, informed, and diverse network of individuals across the district.
- 1.4 In June 2019, the Council declared a climate and ecological emergency and has since established a Climate Action Plan, focusing on emissions reduction mitigation activities as well as adaptation considerations².
- 1.5 Queenstown-Lakes District Council (QLDC) has subsequently initiated a Climate Reference Group³ to guide its progress and priorities in this space, and QLDC has also prepared an Emissions Reduction Roadmap⁴ and Sequestration Study⁵. QLDC has also participated in the development of a regional emissions profile with the regional council.
- 1.6 The district is experiencing some of the most severe economic impacts from the global pandemic, given its pre-pandemic reliance upon the international visitor economy. The QLDC Recovery Team is focused on three key transitions: transition to a better tourism system, transition to a more reliable workforce and transition to a zero waste, net zero emissions future for the district.
- 1.7 Reduced emissions are central to the adoption of a regenerative approach to recovery, a mindset advocated by the district's Regenerative Recovery Advisory Group⁶. QLDC has also developed a Destination Management Plan in partnership with the Regional Tourism Organisations that aims to achieve regenerative tourism by 2030.
- 1.8 QLDC recently entered into a formal partnership with government and Kāi Tahu to develop an holistic Spatial Plan⁷ for the district. This has involved the development of a detailed plan to grow well (whaiora), identifying priority areas for growth, transport, community facilities, infrastructure, and economic development. Emissions reduction, sustainability, resilience, and community wellbeing underpin all aspects of the Spatial Plan, through to 2050.
- 1.9 The commitment to the COP 26 pledge to reduce methane by 30%, will need ambitious action from the Government and the agriculture industry in particular. This is an important step in the contribution to reducing greenhouse emissions as New Zealand and the world continue to work on reducing CO₂ emissions.

¹ <https://www.qldc.govt.nz/community/population-and-demand>

² <https://www.qldc.govt.nz/your-council/our-vision-mission/climate-action-plan>

³ <https://www.qldc.govt.nz/20-08-24-queenstown-lakes-district-council-establishes-climate-reference-group>

⁴ Emissions Reduction Roadmap: Pathway to Science Based Targets – scenarios for Queenstown Lakes District, 2020
<https://www.qldc.govt.nz/media/yvtb3e5t/qldc-emissions-reduction-roadmap-final-report.pdf>

⁵ Carbon Sequestration Study, 2020 <https://www.qldc.govt.nz/media/kwifuybf/qldc-carbon-sequestration-study-final-report.pdf>

⁶ <https://www.qldc.govt.nz/recovery/regenerative-recovery-advisory-group>

⁷ [Spatial Plan - QLDC](#)

While the 30% target is an international target, offsets should be met through domestic removals. We need to reduce gross emissions at a much faster pace.

2.0 QLDC recognises and supports the changes from the draft plan including:

- 2.1 QLDC notes and supports the addition of the recommendations within the Climate Change Commission's (CCC) report. The CCC set out very clear and specific recommendations including provisional progress indicators. QLDC is supportive of these recommendations being addressed and incorporated into the plan.
- 2.2 The distinction in including "Empowering Māori" as a core principle in the Emissions Reduction Plan is a positive acknowledgment of the significant role Māori play in emissions reduction which QLDC supports. The acknowledgement of the role Māori play in emissions reduction and the unique impact of climate change on Māori are now expressly stated, which is a positive change from the Draft Emissions Reduction Plan.
- 2.3 Local government's role has been clearly included and defined within the plan. QLDC supports the greater recognition of the role that local government will play in the transition from high carbon emissions to net-zero emissions. Local councils, like QLDC, have been proactive in declaring a climate emergency and developing and implementing Climate Action Plans. In the climate action and emissions reductions sphere, local government can play a key role in engaging local communities. The Government has acknowledged this is a positive step forward in achieving the outcomes of the plan. QLDC is available to work with the Ministry for the Environment to further inform the role of local government as the implementation planning progresses. It is imperative that this work is integrated with other central government reform programmes impacting local government such as the Future for Local Government Review, Three Waters and Resource Management Reforms.
- 2.4 The quality of the document is much more consistent between different central government departmental remits. There has been progress in the consistency of the approach to the plan across all departments, including better integration of actions across different departments in supporting growth and development areas and QLDC looks forward to all areas contributing significantly to the reduction of emissions.
- 2.5 The implications of the just transition have been addressed much more transparently. The need for an equitable, inclusive, and well-planned climate transition is fully supported. This needs to be viewed with an holistic approach to wellbeing and a true focus on social equity. The inclusion of the "Supporting Conditions for a Just Transition Internationally" declaration signing outlined within the plan is a step that the Queenstown Lakes District Council is highly supportive of. Consideration of the true cost of an equitable transition is needed.
- 2.6 The investment and planning of public transport investment is progressive, enabling accessible service provision, including in the regions. QLDC supports the changes from the draft plan to look at transport and mode-shift as an equitable incentivising solution through improving the reach, frequency, and quality of public transport. Furthermore, working with local government and making public transport affordable as part of an equitable transition is a positive change, particularly for low-income households.
- 2.7 The comprehensive approach to waste in the Emissions Reduction Plan is supported by QLDC to achieve meaningful change in emissions. The comprehensive approach to waste, waste minimisation and a circular economy is supported by QLDC. The Plan covers wide-spread changes in the approach to waste, domestically, organic waste and waste diversion which shows positive improvement for local government.

- 2.8 QLDC supports the inclusion of Nature-Based Solutions and Biodiversity to contribute to emissions reduction. QLDC supports the broader approach taken in the plan, away from a narrow focus on planting, toward a range of nature-based solutions, such as recreating and preserving wetland spaces.
- 2.9 Energy and network sustainability has been extensively addressed. QLDC is supportive of the multi-faceted approach the Emissions Reduction Plan has taken to energy, particularly in ensuring energy networks are sustainable. This is a key issue in the Queenstown Lakes District, alongside reliability and affordability. Significant inter-agency work is required to resolve the district's unreliable power supply issues and identify methods to reduce the load on 'close-to-capacity' lines. Distributed energy resources need detailed consideration and support. The Māori and Public Housing Renewable Energy Fund to support renewable and affordable energy in communities is also supported by QLDC.

3.0 The role of the visitor economy and tourism policy in reducing emissions needs to be represented in the document.

- 3.1 A mature, national conversation is required about the future of tourism. Tourism and the international visitor economy play an important role in the emissions profile of New Zealand. The Queenstown Lakes District is an important contributor to what was (pre-COVID 19) the country's largest export industry. It is important that in planning the future direction of the tourism system, recognition that New Zealand is a long way from other countries, so air travel is a necessity that will need to be addressed in an innovative manner. At a national level, a mature and reasoned conversation is required to fully understand the whole of life cost of visitors, with regard to both emissions and economic inputs.
- 3.2 The government needs to address the reports from the Parliamentary Commissioner for the Environment⁸ and seek to navigate an effective, respectful path forward. Tourism has made a considerable contribution to the national economy for a number of years and in the interests of enduring change, progress should be made in a collaborative fashion.
- 3.3 Tourism is currently central to the economic wellbeing of the majority of residents in the Queenstown Lakes District⁹. Work is underway to diversify the economy and to focus on a destination management approach that works toward a better form of tourism. However, these initiatives will take several years to come to fruition, requiring a regenerative mindset and a whole of system approach throughout.
- 3.4 Manaakitaka* and guardianship run deeply in the tourism industry, and many are taking significant steps within their spheres of influence to effect positive and meaningful change. However, most of the businesses are small to medium enterprises, facing economic survival challenges through COVID-19. Their ability to prioritise emissions reduction is highly variable and further support from government will be needed.
- 3.5 New Zealand needs to attract values-driven visitors and capture better data. The landscapes and environment, of outstanding natural beauty, of the Queenstown Lakes District attract a steady stream of visitors, including film related visitors, providing a daily reminder of how essential the environment is to the tourism product offering and our location in a highly connected world to live and work remotely. Prior to COVID 19, the average day population of the district was 67,129 people, of which 61% were residents and 39% were visitors. Over peak periods, the visitor numbers could swell the peak day population to 123, 249¹⁰.

⁸ <https://www.pce.parliament.nz/our-work/news-insights/media-release-not-100-but-four-steps-closer-to-sustainable-tourism#:~:text=Parliamentary%20Commissioner%20for%20the%20Environment,a%20substantially%20smaller%20environmental%20footprint>.

⁹ 77% of people work in tourism, accommodation, and hospitality. <https://ecoprofile.infometrics.co.nz/queenstown-lakes%2bdistrict/Tourism/TourismEmployment>

¹⁰ <https://www.qldc.govt.nz/your-council/council-documents/annual-plans>

- 3.6 New Zealand is marketed as a great place for independent travel and its Freedom Camping legislation supports this approach. A review of visitor attraction is required to ensure values-driven visitors are attracted effectively and served by products that reduce their carbon footprint as far as possible.
- 3.7 It's essential for the district to understand the impact of visitors on emission-reductions initiatives and to better understand how international visitor emissions can be mitigated at a national, regional, and local level. Central government could play an important role in the provision of consistent, district-level data.
- 3.8 International visitor transport should be orchestrated at a national level. A significant challenge for local government is a lack of ability to control or influence visitor numbers and flow. Orchestration would enable central government to deploy strategic nudges and behavioural economics to influence change, smoothing peaks and troughs whilst understanding threshold volumes.
- 3.9 Emissions attribution becomes complex in this space, it is clear that increased international visitors to New Zealand typically result in increased international visitors to the Queenstown Lakes District. The proposal for a new international airport at Tarras may result in a significant increase in international visitor road transport to the district and all of the associated emissions.

4.0 The plan requires further consideration in several key areas:

- 4.1 The initial increase in emissions is unacceptable. QLDC fully supports locking in the net zero target and the decarbonization of sources of long-lived emissions. However, QLDC does not support the proposed initial emissions budget increase in budget period one. QLDC recommends that the budget pathway is revisited and reconsidered.
- 4.2 New Zealand's Emissions Reduction Plan does not support global emissions reductions and an equitable transition for all. QLDC agrees with the Guiding Principles but believes an additional principle is needed to prevent New Zealand's Plan either: driving up the biodiversity losses and emissions of our trading partners; or creating an inequitable transition for the people living and working in the countries New Zealand trades with. The goal is to reduce global emissions and to do it in a way that doesn't create or entrench inequities, particularly in cases where economic displacement to countries that have no cap on emissions is more profitable. QLDC would like to see an additional principle included to ensure that in reducing New Zealand's emissions, there is not an increase in New Zealand's global carbon footprint or global inequities.
- 4.3 Emissions reduction requires greater regulation than the plan suggests. If properly regulated, the Emissions Trading Scheme will be a useful tool for driving behaviour change. But given the massive changes needed in a short timeframe and the requirement for an equitable transition, the plan requires far greater use of regulation. New regulation is referenced throughout the plan, but firm timelines, commitments and detail are required if the urgency of change is to be reinforced.
- 4.4 Significant investment is required in massive-scale behaviour change. Whilst local level behaviour will be important to contribute to mitigation initiatives and local adaptation plans, broader systems change will be far more compelling. A focus on full system change is needed to effect behavioural change and government leadership will be central to success. Support for and investment in behaviour change should be deep, ambitious, and far-reaching. The time of piloting and small patches of change has passed. Investment in behavioural change capacity-building, including in local government should be included across all phases of the current and future Budget allocation.
- 4.5 The greatest responsibility needs to be placed on those with the greatest emissions profile. QLDC supports the assignment of responsibility for emissions reduction to individuals, households, businesses, and local and central government. However, QLDC recommends that greater responsibility needs to be placed on the businesses, groups and organisations that make the most significant contribution to the emissions budget.

There is a need to address emissions reduction at the right scale. Some things are best addressed at a very local level, others at a regional or catchment level. A Council boundary is possibly not the most effective, the plan and programme should be adaptable to allow communities at different levels to join up to address emissions reduction. QLDC does not support an approach that relies on technological advances to reduce methane. QLDC would support a plan to support farmers (including with finance) to transition from the intensive, high input industrial model that has developed over the last 15-20 years. QLDC notes that its local farming community has demonstrated significant leadership in progressive and regenerative farming practices.

- 4.6 Further consideration should be given to the potential of water allocation to reduce emissions. Water allocation is not addressed in the Emissions Reduction Plan. Allocation to activities that reduce emissions rather than increase them could contribute to the Government's goals. Water is a limited resource and moving forward, it should be allocated in a way that best meets the needs of communities, that incentivises low emission productivity, and that does not adversely impact biodiversity or the health of water. Allocating additional water to activities that drive up emissions and nitrate pollution (such as dairying) is now untenable.
- 4.7 Effective spatial planning, intensification and improved urban form will be essential for emissions reduction in the district. QLDC has been working in partnership with central government for the past three years to develop a spatial plan¹¹. It has been an extremely valuable process that has taken an holistic approach to the relationship between urban form, environment, and community wellbeing. The spatial plan is based upon the three principles of wellbeing, resilience and sustainability and aims to 'whaiora' or 'grow well'.
- 4.8 QLDC supports the approach to public transport, active travel and placemaking as outlined in the document. A key action in the Spatial Plan is the creation and implementation of a mode shift plan for Queenstown, including travel demand management. This plan is on track to be delivered in the coming months. This builds on Queenstown's transport business case adopted by the Queenstown Lakes District Council in January 2021¹² is working towards a mode shift of 40% toward public transport by 2028 and 60% by 2048 on its busiest route¹³. The Emissions Reduction Plan should look at local and regional work in this space to inform its national mode-shift plan.
- 4.9 The way in which the district grows in future will have huge implications for the ability of its communities to reduce emissions. The relationship between urban form, transport and emissions reduction behaviour change is particularly pronounced. If the district is not designed to have neighbourhoods that provide for everyday needs¹⁴, it will be nearly impossible to achieve the mode shift from private vehicles to public or active transport.
- 4.10 Currently the small developer community in the district is not incentivised to intensify development or build sustainable / low impact housing. They are not always able to secure funding from major lenders for projects of this nature, because the market tends to reward traditional house and section packages. Central government needs to incentivize lenders to fund progressive development ideas that align with the spatial plan. This should be included as part of Budget period 1 in the Emissions Reduction Plan and further considered as part of Kāinga Ora's Urban Development Strategy.

Recommendations:

¹¹ <https://letstalk.qldc.govt.nz/49239/widgets/266124/documents/197292>

¹² Queenstown transport business case (Agenda item 5; p. 85). (2021). Queenstown Lakes District Council. <https://www.qldc.govt.nz/media/h2abrmhx/5-queenstown-transport-business-case.pdf>

¹³ Queenstown transport business case (Agenda item 5; p. 85). (2021). Queenstown Lakes District Council. <https://www.qldc.govt.nz/media/h2abrmhx/5-queenstown-transport-business-case.pdf>

¹⁴ <https://www.qldc.govt.nz/your-council/council-documents/queenstown-lakes-spatial-plan>

- R.1. Revisit the emissions budget pathway with an eye to reducing the emissions budget to remove the initial increase in Budget period one.
- R.2. Consider an additional principle be included that supports emissions reduction as a global citizen, reducing emissions equitably in tandem with trading partners around the world.
- R.3. Make significant investment in wide-reaching educational and behaviour change programmes.
- R.4. Identify entities that make the most significant contribution to the emissions budget and develop a targeted plan for emissions reduction.
- R.5. Ensure that the Spatial Planning Act empowers local government to develop and implement spatial plans that focus upon emissions reduction.
- R.6. Incentivise lenders to fund high density living developments when aligned with the district's spatial plan. Incentivise developers to create higher density, lower impact living developments.
- R.7. Include tourism and the visitor economy in consideration of emissions and emissions reduction in New Zealand.
- R.8. Consider what support could be made available for small to medium businesses in the tourism industry to aid in reducing emissions.