Policy Planning Committee

Tabled Documents

14 September 2017

Item 5:	Chairs Report
Item 8:	Low Emissions Economy Issues Paper – Productivity Commission

Chairmans report Policy and Planning Committee

September 2017

Good afternoon and welcome to this month's policy and planning meeting.

Looking back on our workshopping sessions for our next LTP our council has covered a huge amount of ground on a broad range of subjects. I would ask that if members of this committee feel that there are subjects or items that they feel will not feature or need greater scrutiny then they should be raising them as soon as possible, perhaps at the end of this meeting.

One issue that caught my attention during the last council meeting in August was some of the statistical information within the "Dog control policy and practices" report. The particular piece of information was around the number of "registered dogs" and "working dogs" and the fee structure that sits around the registrations.

My personal view is that we need to visit our whole rational around the registration in the future and the subsequent fees applied, whilst taking account that there are two fairly distinct dog owning communities with very different drivers for the ownership of dogs and very different cost and benefit outcomes.

I will also raise the issue of what the upcoming national election will unfold for local government and this committee of this council in particular. It is interesting to say the least to hear such a diverse range of potentially impacting policies from the major political parties, where it all might lead is anyone's guess currently, but will become a little clearer (hopefully) after election night.

Angus Gordon

Chairman

Low Emissions Economy

Issues Paper – Productivity Commission

14 September Policy/Planning Committee

Introduction

- Low emissions economy – issues paper

TABLED DOCUMENT

Tabled at Policy Planning Item 8

on 14 Sept 2017.

NZ – Context
Emissions Trading Scheme

- Main response to climate change
- Commenced in 2008
- Energy, fishing, forestry, industrial processes, liquid fossil fuels, synthetic gases, waste sectors.
- Trade exposed and emissions intensive industries received free allocations of 60 – 90% of their requirements.

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Figure 9 The basic structure of the NZ ETS

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EMISSIONS SOURCES AND MITIGATION OPPORTUNITIES

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Agriculture – potential mitigation

- Farm management practices
- Targeting methane production in rumen
- Reducing nitrous oxide emitted from soils
- Reducing livestock numbers

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Box 3 **Potential technologies to reduce New Zealand's biological emissions**

- *Methane vaccine* – a vaccine that triggers an animal's immune system to generate antibodies that suppress the CH_4-producing methanogens in an animal's rumen.
- *Methane inhibitor* – a chemical compound fed to an animal to target the methanogens by either killing them, or depriving them of the hydrogen they need to produce CH_4.
- *Targeted breeding* – identifying genes unique to animals that naturally emit lower levels of methane to selectively breed low-emitting sheep and cattle.
- *Nitrogen inhibitor* – a chemical compound applied to pastures to slow the process of nitrification in soils, and thus reduce the loss of N_2O.
- *Low-emission feed* – identifying, and genetically modifying feeds that reduce an animal's CH_4 and N_2O emissions (eg, increasing the fat content in an animal's feed to reduce CH_4 emissions).

Source: NZAGRC and PGGRC (2014), PCE (2016)

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Agriculture – current policy and options

- Research
- Reference groups

Q3 To what extent is it technically and economically feasible to reliably measure biological emissions at a farm level?

Q4 What are the main opportunities and barriers to reducing emissions in agriculture?

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Land use change

- From agriculture to forestry/horticulture
- Need to consider downstream processors
- Government could incentivise (e.g. putting a price on agricultural emissions)

Q5 What are the issues for government to consider in encouraging alternative low-emissions land uses?

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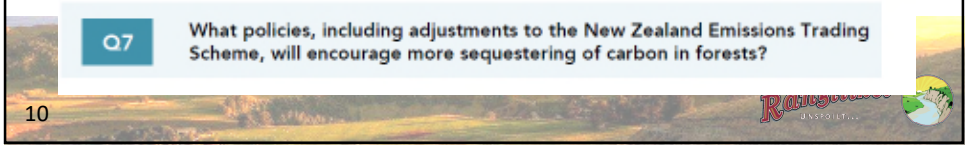
Forestry

- Commercial forests are in decline
- Bes mitigation option
- Current Central Government initiatives:
  - Afforestation Grant Scheme
  - Permanent Forest Sinks Programme
  - Erosion Control Forest Programme

Q6 What are the main barriers to sequestering carbon in forests in New Zealand?

Q7 What policies, including adjustments to the New Zealand Emissions Trading Scheme, will encourage more sequestering of carbon in forests?



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Electricity Generation

- 85% of NZ's electricity produced from renewable sources
- 90% as a target from 2025

Q12 What changes will be required to New Zealand's regulatory, institutional and infrastructural arrangements for the electricity market, to facilitate greater reliance on renewable sources of energy across the economy?

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ACHIEVING A LOW EMISSIONS ECONOMY

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Legislative Framework

- Can ensure a long term focus
- Climate Change Response Act 2002

Q28 Is New Zealand's current statutory framework to deal with climate change adequate? What other types of legislation might be needed to effectively transition towards a low-emissions economy?

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Who can make change happen?

- Evidence suggests action at a range of levels is required – international, national, regional, local
- Local government
  - July 2017 a declaration signed by 37 Mayors
  - developing action plans to reduce local GHG emissions

Q34 Who are the most important players in driving forward New Zealand's transition to a low-emissions economy?

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Manging impacts on vulnerable households and businesses

- Achieving large reductions will be disruptive to many businesses and households
- Will affect some people more than others
- There could be a need for compensation for significantly affected parties
- Significant land use change for some communities

Q35 What measures should exist (and at what scale and duration) to support businesses and households who have limited ability to avoid serious losses as a result of New Zealand's transition to a low-emissions economy?

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Two basket approach

- Methane – length of time in the atmosphere is short
- CO2 – length of time in the atmosphere is long (100's of years). Cumulative emissions are the main driver of climate change
- Methane and CO2 treated differently
  - Different targets/schemes

Q37 Should New Zealand adopt the two baskets approach? If so, how should it influence New Zealand's emissions reductions policies and long-term vision for the future?

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A Shared Vision

- To ensure co-ordination of decisions
- Helps consider the issue over the long term

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Figure 17 A zero-net emission vision for New Zealand

Source: Leining and Kerr (2016)

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A Shared Vision

- To ensure co-ordination of decisions
- Helps consider the issue over the long term

Q40 What does your long-term vision for a low-emissions economy look like? Could a shared vision for New Zealand be created, and if so, how?

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Comments

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