



# **SUBMISSION: AUCKLAND'S CLIMATE ACTION FRAMEWORK 2019**

**18TH SEPTEMBER 2019**

Business North Harbour Incorporated  
Kevin O'Leary – General Manager  
PO Box 303 126  
North Harbour 0751  
Phone 09 968 2222 or 0274 799 563  
Email: [kevin@businessnh.org.nz](mailto:kevin@businessnh.org.nz)

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Auckland Council  
Chief Sustainability Office  
Freepost Number 181381  
Private Bag 92300  
Victoria Street West  
Auckland 1142

[climateaction@aucklandcouncil.govt.nz](mailto:climateaction@aucklandcouncil.govt.nz)

## **Submission to Auckland's Climate Action Framework**

### **Introduction**

Business North Harbour welcomes the opportunity to make this Submission on Auckland's Climate Action Framework (ACAF).

The ACAF notes that Auckland needs a plan that coordinates action to reduce emissions and reduce the impacts of climate change. The Framework says it is a starting point for all Aucklanders to work together to deliver climate action efforts. Reducing emissions and building resilience will be challenging, but possible tasks under the ACAF.

Public consultation has opened and closes on 30<sup>th</sup> September 2019.

Business North Harbour (BNH) is a significant commercial and industrial Business Improvement District (BID), representing over 4,500 commercial property owners and businesses within the North Harbour area. Collectively they employ over 35,000 Auckland residents and ratepayers.

The organisation is located within the Upper Harbour Local Board area, which is expected to be the fastest growing area in the country over the next ten years, in both absolute and percentage population terms, which brings both challenges and opportunities to the North Harbour business district.

BNH represents and works with a wide range of businesses comprising of a mix of sole traders, Small Medium Enterprises (SME), through to multi-national organisations. Our businesses which range across manufacturing, warehousing, logistics, services, retail and hospitality, will all be affected by Auckland Council's Climate Action Framework, albeit in different ways. In addition, we have key educational institutions within or on our boundary, including Massey University Albany and AUT Millennium, along with a variety of primary and secondary schools including Rangitoto College, the largest secondary school in New Zealand. All are located within an industrial estate which is on average less than 20 years old.

One of the main priorities for BIDs is to improve the environment and amenity of our commercial districts to attract and retain business. Due to the potential impact of the Framework on this priority and business as a whole, we ask that BIDs are identified as key stakeholders for future consultation and the engagement process of the Framework.

## **Background**

As noted in its consultation documents in June 2019, Auckland Council declared a climate emergency to signal its commitment to putting climate change at the front and centre of its decision making.

Council observed that Auckland's climate is changing, and the region needs a plan that co-ordinates everyone's actions to reduce emissions and increase resilience to climate change.

Auckland Council has said that we have less than a decade to make significant change or we'll risk widespread social, cultural, environmental and economic disaster.

The ACAF identifies eleven areas, called Key Moves, which Auckland Council believes are necessary in order to structure our climate actions. The ACAF sets out a range of actions that individuals and communities can be involved in delivering: How you get around Auckland; what foods you have access to; how your community adapts to the changing climate and the green spaces you have access to are covered by the key moves and actions in the framework. It also sets out a range of actions that organisations and businesses can be involved in delivering. How businesses build resilience, develop a zero-carbon business model, how businesses procure products and how they deal with waste are all covered by the key moves and actions in the framework.

Auckland Council is now asking for feedback on the ACAF, with a number of specific questions. Business North Harbour's feedback is set out below corresponding to the questions set out in the Council's template.

## **BNH Feedback**

### **Question 1:**

*Te Tāruke-ā-Tāwhiri Auckland's Climate Action Framework provides a guide to address the climate crisis. The framework has 11 changes called key moves to reduce our emissions and the impacts of climate change. The key moves set out actions that every Aucklanders – from residents to businesses – need to be involved in.*

*Auckland Council has asked: Do you think the framework takes us in the right direction to act on climate change? ☐ Yes ☐ Partially ☐ No Please tell us why:*

Our feedback is that the draft ACAF only **partially** takes us in the right direction to act on climate change.

In light of Auckland Council's declaration of a climate emergency and the statement in the draft framework that we have less than a decade to make significant change, we believe the ACAF must be far more ambitious.

We suggest that the ACAF or perhaps the first Key Move replicate the purpose of the Climate Change Response (Zero Carbon) Amendment Bill 2018, that is, to 'provide a framework by which [Auckland] can develop and implement clear and stable climate change policies that contribute to the global effort under the Paris Agreement to limit the global average temperature increase to 1.5<sup>0</sup> Celsius above pre-industrial levels'. We also suggest that the ACAF identifies actions to establish Auckland's emissions budgets and adaptation planning, as well as accurate monitoring and reporting of GHG emissions.

In this regard, we note the more ambitious recommendations of the Productivity Commission's Low Emissions Economy Report '*Transitioning to a low-emissions future*'

(August 2019) and the Government's response. We believe consideration should be given to a number of matters identified by the Productivity Commission that could also be addressed in the ACAF, such as Investment, Inclusive Transition, Land Use, Transport, Electricity, Heat and Industrial Processes, Waste, and the Built Environment.<sup>1</sup>

We also note Auckland Council's existing commitments and ask that the ACAF specifically recognises and incorporates these commitments into the actions.<sup>2</sup>

We note further that the Key Moves and Actions are a mix of policies to both mitigate and adapt to climate change and suggest these be more clearly delineated (especially identifying actions to mitigate climate change).

Finally here we ask that the Key Moves and Actions be SMART (Specific, Measurable, Achievable, Relevant and Time-Bound) and that work begin immediately for a detailed and transparent Implementation Plan.

1. <https://www.mfe.govt.nz/sites/default/files/media/Climate%20Change/transitioning-to-a-low-emissions-future.pdf>

2. See pages 63 and 64 of the draft Framework. These commitments include: the Low Carbon Strategic Action Plan (July 2014); the Global Covenant of Mayors (2015); the C40 Paris Pledge for Action; and the C40 Declaration for Fossil Fuel Free Streets.

## Question 2:

*To develop this framework, Auckland Council worked alongside central government, other councils, Māori as kaitiaki, the private sector, ngā rangatahi and Aucklanders. While we will own the delivery of some actions, we cannot deliver them all. For this framework to be successful, there needs to be facilitation across these groups.*

Auckland Council has asked: Do you think Auckland Council should facilitate action and bring together those that can deliver on the framework? ☐ Yes ☐ Partially ☐ No Please tell us why, and if yes, where we should focus:

Our feedback is that we **partially** agree that Auckland Council should facilitate action and bring together those that can deliver on the Framework, but also make the observations below.

BNH believes that the ACAF should clearly identify those actions that can be delivered solely by the Auckland Council and Auckland Council family, or alternatively that a separate Framework/Implementation Plan be drafted identifying actions that can be delivered solely by the Auckland Council family (Auckland Council and its CCOs). In particular, we would like to see an action concerning the reduction of climate change through procurement to be delivered by the Auckland Council family through the respective procurement policies.

We also suggest that the ACAF establish a governance arrangement separate from Auckland Council to provide independent evidence, monitoring and analysis on the matters set out in the ACAF. Such a body might be modelled on the national Climate Change Commission or be one of Auckland Council's independent panels (such as the Heritage Panel). Nonetheless, it must be independent and properly funded.

BNH would like to see the ACAF (or its Implementation Plan) highlight success stories concerning the mitigation of climate change as well as better mechanisms by which to facilitate delivery of the ACAF by the private sector (or business). In this regard, we would welcome opportunities for business improvement districts (BIDs) to facilitate involvement of the private sector in the implementation of the ACAF.

### Question 3:

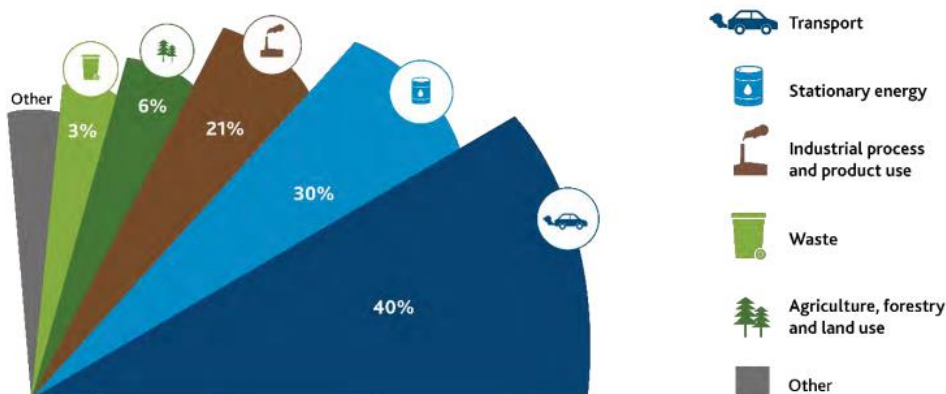
*Key Moves; The framework has 11 key moves to reduce Auckland's emissions and the impacts of climate change. These key moves are: 1. Lay the foundation; 2. Enhance, restore and connect our natural environments; 3. Make development and infrastructure climate-compatible; 4. Transform existing buildings and places; 5. Deliver clean, safe and equitable transport options; 6. Move to a zero carbon, climate- resilient economy; 7. Help Aucklanders become more resilient and reduce their carbon footprint; 8. Te puawaitanga o te tangata; 9. Youth and intergenerational equity; 10. Shift to decentralised renewable energy; 11. Grow a low-carbon, resilient food system.*

*Auckland Council has asked: Do you think these are the right key moves for Auckland? ☐ Yes ☐ Partially ☐ No Please tell us why:*

Our feedback is that we **partially** agree that these are the right key moves for Auckland.

As noted at page 18 of the ACAF, the most significant sources of emissions are related to transport, energy use in industry and buildings (stationary energy), and industrial processes and product use. Collectively, they contribute to more than 60 per cent of total emissions in Auckland.

Although the ACAF states that the actions are designed to reduce emissions across these major sources and collectively stay within Auckland's overall carbon budget, with respect, the Key Moves and Actions do not align or seem to prioritise these major sources. For example, there is no key move on energy use in industry and buildings (stationary energy), or industrial processes and product use. Although there is a Key Move to 'Deliver clean, safe and equitable transport options', it is fifth in order, rather than being the first or second.



Nonetheless, we would like to provide feedback on the Key Moves and Actions, especially in light of the Productivity Commission's Low Emissions Economy Report.

#### 1. Lay the foundation

As noted above, we suggest that the ACAF: replicate the purpose of the Climate Change Response (Zero Carbon) Amendment Bill; clearly identify actions to be delivered solely by the Auckland Council family (such as prioritising GHG emission reductions in procurement policies); establish a separate and properly funded governance arrangement (especially

to monitor progress); and better identify how the actions in the ACAF can be delivered by the private sector (or business).

With regard to Action 9, we ask that the Unitary Plan be prioritised as one of the regional policies that should encourage climate compatible development and infrastructure. In this regard we note a number of BIDs made submissions to the Unitary Plan encouraging alignment between residential development and employment zones.

### *2. Enhance, restore and connect our natural environments*

We note previous submissions made by BNH and AKBIDs to the Auckland Council water strategy, 'Our Water Future'. We ask that these submissions be considered regarding this Key Move and the implementation of the Flagship Action 'Regenerate Manukau's blue (water) and green (land) networks by restoring the Puhinui Stream.'

In line with Recommendation 11.7 of the Productivity Commission's Low Emissions Economy Report, we suggest that the ACAF include an action for Auckland Council to undertake a complete audit of the availability of Council and CCO controlled land suited for afforestation (whether native or exotic), and develop policy options that would cost effectively establish forestry on such land.

### *3. Make development and infrastructure climate-compatible*

With regard to these Actions, we note Recommendation 16.5 of the Productivity Commission's Low Emissions Economy Report that councils should review and if justified remove, barriers to higher density development, particularly in inner suburbs and in areas close to public transport routes and also ensure that infrastructure charges reflect the full costs of dispersed development. We suggest that consideration be given to the ACAF including an action aligned with this Recommendation.

We also note Recommendations 16.1 through to 16.6 of the Productivity Commission's Low Emissions Economy Report concerning the use of low-emissions building materials, reviews of the New Zealand Building Code, aligning New Zealand's lighting standards with Australia, and the application of shadow pricing for GHG emissions to decisions about council's infrastructure investment. We suggest that consideration be given to the ACAF including actions aligned with these Recommendations of the Productivity Commission.

We note again previous submissions made by BNH and AKBIDs to the Auckland Council water strategy, 'Our Water Future' concerning the need to identify alternative water supply options, establishment of more circular water management frameworks and for wastewater treatment plants (WWTPs) to be incentivised to reduce emissions (see also, Recommendation 15.6 of the Productivity Commission's Low Emissions Economy Report). In light of this, we agree with these actions.

With regard to the Flagship Action to Create a circular construction and demolition sector, we note that business improvement districts, in the AKBIDs submission to the Auckland Council 10 Year Budget 2018-28, agreed that addressing construction and demolition waste be a priority. In light of this, we agree with this Flagship Action.

With regard to waste generally, we note that New Zealand has the highest waste emissions per person of all members in the OECD. These emissions (which are almost entirely methane) account for around 3% of Auckland's total greenhouse gas emissions. We note Recommendations 15.1 through to 15.5 of the Productivity Commission's Low Emissions Economy Report concerning the collection of better waste data, the application of the waste levy to all landfills, an increase in the waste levy (especially for active as



opposed to inert waste), widening council bylaw powers to include farm waste and other unknown waste disposal sites, and making all waste sites subject to the NZETS. We suggest that consideration be given to the ACAF including actions aligned with these Recommendations of the Productivity Commission.

#### *4. Transform existing buildings and places*

Again, we also note Recommendations 16.1 through to 16.6 of the Productivity Commission's Low Emissions Economy Report concerning the use of low-emissions building materials, reviews of the New Zealand Building Code, aligning New Zealand's lighting standards with Australia, and the application of shadow pricing for GHG emissions to decisions about council's infrastructure investment. We suggest that consideration be given to the ACAF including actions aligned with these Recommendations of the Productivity Commission.

With regard to the Flagship Action, we note that this seeks to implement the Mayor's existing commitment to the C40 Fossil Fuels Streets Declaration that there be a zero-emissions zone in the city centre by 2030.<sup>3</sup>

#### *5. Deliver clean, safe and equitable transport options*

With regard to these Actions, we note again that transport, at 40% of emissions, is the most significant source of emissions in Auckland and one over which the Auckland Council family has a lot of decision-making authority. We suggest that the Transport Key Move and Actions be prioritised and be significantly more ambitious.

We note Recommendations 12.1 through to 12.10 of the Productivity Commission's Low Emissions Economy Report that: a price feebate should be introduced for new and used vehicles; support should continue for EV charging infrastructure; the public sector should procure only low-emission vehicles; CO<sub>2</sub> emissions standards should be introduced for light vehicles entering the fleet; incentives should be considered for scrapping fossil-fuel vehicles; tariffs should be removed on low-emission vehicles; low-carbon fuel standards should be explored and emission-reducing technologies for de-carbonising the heavy vehicle fleet; the pricing system for transport should be amended (eg to introduce road pricing); and emissions reductions should be a strategic focus of land transport policy. We suggest that consideration be given to the ACAF including actions aligned with these Recommendations of the Productivity Commission.

#### *6. Move to a zero carbon, climate- resilient economy;*

With regard to these Actions, we note that ATEED could play a significant role in delivering on this Key Move and the Actions and as a consequence, we suggest consideration be given to ATEED's strategic focus becoming more aligned with moving Auckland to a zero carbon, climate-resilient economy. In this regard, we note that Auckland's economy is exposed to climate-related concerns, such as with tourism-related air transport ('flying shame') and we suggest that this Key Move and Flagship Action focus more on building economic resilience for Auckland in light of this. We also note that several local boards have also developed Low Carbon plans that include business initiatives (Waitemata, Puketapapa and Whau).<sup>4</sup>

<sup>3</sup> <https://www.c40.org/other/fossil-fuel-free-streets-declaration>

<sup>4</sup> <https://www.aucklandcouncil.govt.nz/about-auckland-council/how-auckland-council-works/local-boards/all-local-boards/waitemata-local-board/Documents/low-carbon-community.pdf>; <https://www.aucklandcouncil.govt.nz/about-auckland-council/how-auckland-council-works/local-boards/all-local-boards/puketapapa-local-board/docslowcarbonplan/puketapapa-becoming-low-carbon-community.pdf>; <https://www.aucklandcouncil.govt.nz/about-auckland-council/how-auckland-council-works/local-boards/all-local-boards/whau-local-board/Documents/whau-becoming-low-carbon-community.pdf>

Overall, Auckland Council (especially through ATEED) should align its project and programme funding (including at local board level) so that it discourages high-emissions path dependent activities and instead encourages low-emissions activities.

We note Recommendations 6.1 through to 6.4 as well as 7.1 through to 7.5 of the Productivity Commission's Low Emissions Economy Report that: the goal of transitioning to a low-emissions economy should be a high priority within innovation policy (not only science and research, but through broader innovation, knowledge dissemination, education, venture capital funding, infrastructure, regulation and finance); new low-emissions technologies should be identified and adapted to suit local conditions; firms should be helped to improve their absorptive capacity for knowledge, including new low-emissions technologies; the market environment should be encouraged to allow "creative destruction" to take place of high emissions sectors; the Green Investment Fund (GIF) should be used to support the low-emissions transition in the economy; the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) should be considered as one avenue for the disclosure of climate risk; and climate-related financial disclosures should be considered by way of a standard under section 17(2)(iii) of the Financial Reporting Act 2013. We suggest that consideration be given to the ACAF including actions aligned with these Recommendations of the Productivity Commission.

With regard to heat and industrial processes, we note that despite this being a significant source of GHG emissions in Auckland (21% - industrial process and product use), only one action has been identified in the ACAF, to 'Collaborate with central government to reduce process heat emissions.' Although we support that Action, we also note Recommendations 14.1 through to 14.7 of the Productivity Commission's Low Emissions Economy Report that: EECA's functions be directed to also encouraging the use of low emissions energy sources and materials; industrial emissions targets be reviewed; more information be provided about fuel switching, co-firing, demand reduction and efficiency improvements for process heat; support be given to greater use of biomass as an energy source; phasing out the use of coal and other fossil fuels (especially in public sector buildings); and regulation being prepared for carbon capture and storage activities. Again, we suggest that consideration be given to the ACAF including actions aligned with these Recommendations of the Productivity Commission (especially phasing out the use of coal or other fossil fuels in any Auckland Council facilities).

## *7. Help Aucklanders become more resilient and reduce their carbon footprint*

With regard to these Actions, we note that local boards could play a more significant role in delivering on this Key Move and associated Actions and as a consequence, we suggest local boards be encouraged to further support Auckland's communities to become more zero carbon and climate-resilient. In this regard, we again note that some local boards have developed community-based low carbon plans.

Of further note is Recommendation 10.1 of the Productivity Commission's Low Emissions Economy Report that Stats NZ should evaluate the benefits of a system of consumption-based emissions accounting that recognises emissions embodied in the import and export of goods and in services.

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See Waitemata Local Board, *Becoming a Low Carbon Community: An Action Plan* (Action Area 3 | Good for Business: 3.1 Partner with business associations and Business Improvement Districts (BIDs) to design and deliver initiatives; 3.2 Continue to deliver Good for Business presentations with a focus on transitioning to a low carbon economy; 3.3 Lead the development of a low carbon programme targeted at supporting businesses to reduce greenhouse gas emissions and to adopt low carbon practices; 3.4 Support and profile exemplar businesses; and 3.5. Encourage businesses to implement product stewardship scheme). Puketapapa Local Board, *Becoming a Low Carbon Community: An Action Plan* (4. Shop Low Carbon; and 5. Low Carbon Consumption and Business). Whau Local Board, *Becoming a Low Carbon Community: An Action Plan* (4. Shop Low Carbon; and 5. Low Carbon Economy).



## *8. Te puawaitanga o te tangata*

With regard to these Actions, we note Recommendation 8.11 of the Productivity Commission's Low Emissions Economy Report that the framework for a low-emissions economy should provide mechanisms for Māori to advise on policy, process, and decisions relating to emissions budgets as well as the strategies on how to achieve them.

## *9. Youth and intergenerational equity*

In this regard, we again note that some local boards have developed community-based low carbon plans that include actions related to youth and intergenerational equity.<sup>5</sup>

## *10. Shift to decentralised renewable energy*

With regard to these Actions, we note that Ports of Auckland has been identified as playing a significant role in delivering on this Key Move and the Actions, such as using opportunities from the POAL hydrogen project to diversify and scale up this technology, as well as establishing shore based power at POAL to reduce emissions from ships at berth.

We note Recommendations 13.1 through to 13.7 of the Productivity Commission's Low Emissions Economy Report that: subsidies or regulation should not be used to favour particular technologies that generate low-emissions electricity; reliance should be placed on an effective emissions pricing system as the main way to achieve efficiency; technology should be made available to meet emissions targets without significantly increasing wholesale electricity prices; both the NPS-REG (renewable electricity generation) and the NPS-ET (upgrades to the transmission network) should be revised and improved; a new National Environmental Standard for Renewable Electricity Generation should be developed; the integration of distributed energy resources (DER) and demand response (DR) should be facilitated into the electricity system; and the legislative framework for the regulation and collaboration of electricity distribution network businesses should be reviewed. We suggest that consideration be given to the ACAF including actions aligned with these Recommendations of the Productivity Commission.

## *11. Grow a low-carbon, resilient food system*

With regard to these Actions, we note the role of Auckland Council (through the Unitary Plan in protecting productive soils, through reducing waste and in implementing kerbside food scraps collection services).

We also note again Recommendations 15.1 through to 15.5 of the Productivity Commission's Low Emissions Economy Report concerning the collection of better waste data, the application of the waste levy to all landfills, an increase in the waste levy (especially for active waste), widening bylaw powers to include farm waste and other unknown waste disposal sites, and making all waste sites subject to the NZETS. We suggest that consideration be given to the ACAF including actions aligned with these Recommendations of the Productivity Commission.

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<sup>5</sup> See Waitemata Local Board, *Becoming a Low Carbon Community: An Action Plan* (1.2 Support local schools to deliver environmental initiatives); Puketapapa Local Board, *Becoming a Low Carbon Community: An Action Plan* (Create a network of low carbon – Live Lightly champions, including schools; Composting facilities in schools; Educational food gardens in schools; Participation of schools in Travel Wise; and Encourage school involvement in Trees for Survival). Whau Local Board, *Becoming a Low Carbon Community: An Action Plan* (Create a network of low carbon – Live Lightly champions, including schools; Composting facilities in schools; Educational food gardens in schools; Participation of schools in Travel Wise; and Encourage school involvement in Trees for Survival).

#### Question 4:

*The framework sets out a range of actions that organisations and businesses can be involved in delivering. These moves and actions include how to build resilience, developing a zero-carbon business model, how to procure products and how to deal with waste.*

*Auckland Council has asked: Do you think that the key moves will drive business and organisational action? ☐ Yes ☐ Partially ☐ No*

Our feedback is that we **partially** agree that the key moves will drive business and organisational action.

Again, we note Recommendations 6.1 through to 6.4 as well as 7.1 through to 7.5 of the Productivity Commission's Low Emissions Economy Report that: the goal of transitioning to a low-emissions economy should be a high priority within innovation policy (not only science and research, but broader innovation, knowledge dissemination, education, venture capital funding, infrastructure, regulation and finance); new low-emissions technologies should be identified and adapted to suit local conditions; firms should be helped to improve their absorptive capacity for knowledge, including new low-emissions technologies; the market environment should be encouraged to allow "creative destruction" to take place of high emissions sectors; the Green Investment Fund (GIF) should be used to support the low-emissions transition in the economy; the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) should be considered as one avenue for the disclosure of climate risk; and climate-related financial disclosures should be considered by way of a standard under section 17(2)(iii) of the Financial Reporting Act 2013.

We suggest that consideration be given about how the Recommendations of the Productivity Commission could drive business and organisational action in Auckland and consideration be given to how they might be included in the ACAF.

We believe it is important that the ACAF recognises the structure of businesses within Auckland and that most are small or medium sized businesses (SMEs) focused on their day-to-day business needs and who will need support/encouragement in making the transition to a zero-carbon economy. In this regard, we suggest that the ACAF include examples of 'good new stories' of businesses making the transition.

Again, we suggest that ATEED could play a significant role in driving business and organisational action and we suggest its strategic focus be more aligned with moving Auckland to a more zero carbon, climate-resilient economy.

*Question 5: Do you have any other ideas or comments to add?*

With regard to the measures set out in the ACAF, we suggest that the ACAF include: measures that calculate Auckland's remaining emission budget to keep below 1.5<sup>0</sup>; measures related to adaptation planning as well as accurate monitoring and reporting of the Auckland Council family's GHG emissions (as well as each CCO); and measures identifying the transition required over shorter timeframes (2-3 years, instead of 10 or 30).

BNH also asks that the measures be SMART (Specific, Measurable, Achievable, Relevant and Time-Bound) and in this regard, the differing resources available and abilities of businesses to implement any changes be taken into consideration. We also ask that work begin immediately for a detailed and transparent monitoring and reporting programme.

On the question of funding for the ACAF, we believe there are already adequate funds within the Auckland Council budgets to fully fund the ACAF. In this regard, we suggest that all the activities of the Auckland Council family be assessed and those identified as involving high-GHG emissions cease and their funding diverted to the Key Moves and Actions of the ACAF.

### **Conclusions**

Again, Business North Harbour welcomes the opportunity to make this Submission on the ACAF.

We ask for the opportunity to make a presentation on this Submission, should there be a hearing.

If the Council has any questions or other matters arising from this Submission, we would be pleased to respond to those.

Yours sincerely,

Kevin O'Leary  
General Manager