



St Andrew's
on The Terrace

Hato Anaru o te Parehua

Founded 1840

Submission on Second Emissions Reduction Plan 2026 – 2030

Overview

St Andrew's on the Terrace, Wellington, is a progressive Christian church, the longest established Presbyterian congregation in New Zealand, dating back to 1840. We have long history of commitment to social justice and the environment, both of which are written into the six strategic pillars of our community, which underpin how we conduct our mission. As a logical development of this we have recently joined the EcoChurch movement.

In keeping with these commitments, we are deeply concerned about the lack of ambition in Aotearoa New Zealand's second emissions reduction plan to address climate change.

Global ecosystems are in a climate emergency and that includes Aotearoa New Zealand, as recent extreme weather events have shown. This plan shows no sense of the urgency that is called for. What is needed is a plan that is bold and can lead our country to a healthier, low-carbon future.

Our submission focuses on the following chapters of the ERP2 discussion document:

- 1: The Government's approach to New Zealand's climate change response
- 3: Strengthening the New Zealand Emissions Trading Scheme
- 5: Energy
- 6: Transport
- 7: Agriculture
- 8: Forestry and wood processing
- 9: Non-forestry removals

Chapter 1: The Government's approach to New Zealand's climate change response

From both a national and international perspective, we consider climate change to be the biggest threat to human health and well-being and to the future of our planet. We believe that Aotearoa New Zealand must do its part to mitigate risk and create long term sustainability for the health of humankind and the planet.

Therefore, we are deeply concerned the combination of policies proposed in this plan will not keep us on track for Net Zero 2050, nor will they enable us to meet our third emissions budget.

Emissions reductions are not an optional extra if we wish human society around the world to survive and thrive. Climate change is one symptom of humanity not respecting planetary boundaries.

In a 'health check' for the entire planet, published in the Science Advances journal (*Science Advances*, 2023), an international team of 29 experts found that the Earth is now 'well outside of the safe operating space for humanity' due to human activity.

The world had now crossed six of nine 'planetary boundaries' – the safe limits for human life in areas such as the integrity of the biosphere, climate change and the use and availability of fresh water. The future requires human societies to live, consuming less and recognising the economy exists within planetary boundaries that have limits. The alternative is that our children and grandchildren live in a very bleak world. No-one wants that.

A fundamental change in the organisation of human societies reflecting an understanding about our place in the ecospheres of this planet and an ethic of humility can help us find a way forward.

In Aotearoa New Zealand, learning from Te Ao Māori is one way to explore how human society can function within the Earth's ecosphere. We call on the Government to recognise the wisdom of Te Ao Māori and be open to learning from the Māori world and working in partnership with iwi, hapū and Māori entities on emission reduction projects.

A net-based approach to reducing emissions

The net-based approach that the Government is taking has a number of challenges. We cannot plant and offset our way out of climate change, ie rely on the NZ ETS and planting more trees. Offsets are not the equivalent of reductions. Trees and other forms of offsets carry many more risks, including: increasing slash rates in cyclones and the occurrence of forest fires, exacerbated by rising temperatures.

We do not support the plan's emphasis on investigating carbon capture and various storage options. These are unproven technologies and do not address the fundamental problem – that we are producing far too much carbon dioxide and other greenhouse gases in the first place. The best option is to reduce gross emissions by reducing emissions from agriculture, transport, industry and energy generation.

Altogether, a net-based approach creates a real risk to meeting our emissions targets, and places the onus to do so on future generations.

Least-cost focus ignores additional benefits

The draft plan has a focus on delivering emissions reduction at 'least cost' but does not seem to consider the other benefits that some actions can deliver. These are significant and will have major economic benefits for New Zealand.

For example, in the transport sector, actions to encourage modal shift will also provide co-benefits including:

- Reduced congestion - increasing productivity in our cities and on major rural freight routes
- Better air quality - improving public health and reducing health system costs
- More physical activity for those using active modes - improving health outcomes and reducing health system costs
- Better accessibility and mobility for those who cannot drive due to poverty, age or disability or do not own a car

- Fewer traffic accidents - significantly reducing costs to the health system and to New Zealand's economy from injury and loss of life

Going with what has worked so far

We endorse the Climate Commission's recommendation in its [monitoring report](#) to maintain and build momentum in areas where we have already seen success and thereby balance the risk of underachievement in others. In particular, we would like to see the reinstatement of incentives to encourage further uptake of low and zero-emissions vehicles.

Chapter 3: Strengthening the New Zealand Emissions Trading Scheme

While we recognise the place of the Emissions Trading Scheme in New Zealand's efforts to reduce emissions, currently the scheme does not work as intended.

There are some major barriers stopping the NZ ETS from properly pricing pollution. Providing free carbon credits to large industrial polluters distorts the carbon market and is holding back decarbonisation in key industries (e.g. methanol, aluminium, steel, concrete and fertiliser manufacturers). Also, the NZ ETS does not treat all sectors of the economy fairly, the agriculture sector being left out entirely. We would like to see all industries pulling their weight.

The NZ ETS needs to incentivise actions that cut pollution at the source, rather than encourage companies to offset business as usual. The scheme should ensure a fair distribution of effort in cutting climate pollution, and support everyday people and businesses to decarbonise and thrive in a low carbon future.

Ending free carbon credits to major industrial polluters by 2030 needs to be a key part of the ERP2 and we strongly support a phase-out of the industrial allocation under the ETS by 2030 at the latest.

The Government has indicated it wants a "credible" carbon market. Stopping free allocation of units would help the NZ ETS to be more credible and work more effectively, operating as it should.

We also support the following suggestions from Common Grace Aotearoa relating to the NZ ETS functions:

- Co-invest in the upfront costs for decarbonising highly polluting industries where technology is available but cost is a barrier; this could be done in the form of Government loans
- Introduce a Carbon Border Adjustment Mechanism, like the EU, to create a level playing field for industries while they still face the full carbon price
- Accompany this with R&D funding and just transition planning for hard-to-abate sectors like steel, involving workers where decarbonisation options are not available

Chapter 5: Energy

If Aotearoa New Zealand is to survive and thrive into the future we need to transition to a society that consumes fewer resources and less energy, recognising the economy exists within planetary boundaries that have limits.

We note that the draft ERP2 gives very little emphasis to reducing energy consumption and, in particular, what could be achieved at household level with greater electrification. While we support

greater investment in renewable electricity generation and the electricity distribution network, there is little appreciation of the role customer generation could play in reducing emissions, lowering costs and creating a more resilient energy system.

New Zealand is one of the first countries to reach the 'electrification tipping point' where households can save money while significantly reducing their emissions by electrifying their appliances and vehicles. Electrification is not a sacrifice or a cost to bear; it is an opportunity to improve Kiwis' lives with cheaper energy, cheaper living, cleaner energy and healthier people.

This means supporting people to swap their fossil fuel machines (gas heaters, gas cooktops, combustion engine vehicles) for electric alternatives, and to install rooftop solar and batteries for a more affordable, resilient energy system.

Homes using gas appliances and petrol vehicles could save around \$1,500 a year right now (and almost \$4,500 per year with a lower interest rate) if they upgraded their machines and got their power from a combination of rooftop solar, home battery and our renewable grid. And the emissions reductions would be considerable. ([Rewiring Aotearoa](#))

But the upfront costs often mean these technologies are out of reach, especially for low-income families. We, therefore, call on the Government to develop incentives, alongside the private sector, to open this technology up to everyone and capture the multiple benefits for the country and Kiwi families.

We would also like the Government to investigate international work in the area of rationing resources, for example, the option of introducing Tradable Energy Quotas, (TEQs) with personal carbon trading as a central element.

Buildings and infrastructure

In line with reducing the demand for energy, we would like to see more detailed policies around energy efficiency and a reversal of the lowering of standards for building insulation.

We support the Building for Climate Change programme and strongly encourage this work be accelerated by fully adopting the recommendations of the Green Building Council to achieve zero carbon buildings by 2030. This should include a deep retrofit of existing housing stock which would have the additional benefit of improving accessibility to healthy housing.

We support options for higher density housing around public transport routes and limiting the amount of urban sprawl which is encroaching on some of Aotearoa New Zealand's most valuable and versatile soils, for example south of Auckland.

Chapter 6: Transport

The Climate Commission has [highlighted](#) that, along with agriculture, the transport sector poses the largest risk to achieving the second and third emissions budgets. With almost 20 percent of emissions coming from transport, we believe the draft ERP2 needs to give greater emphasis to opportunities in this area.

A major contributor to emissions from transport is that our urban centres are currently built around the use of private motor vehicles and roads rather than integrated housing and transport systems.

We strongly encourage public transport and resilience planning to be viewed as an investment. We encourage the Government to consider options for funding such development through investment funds, such as the ACC fund, NZ Super Fund and KiwiSaver funds. Consideration could be given to issuing infrastructure or green bonds specifically for investing in public transport projects.

We support the need to make our infrastructure more resilient but this needs to go more widely than simply building more roads. Coastal shipping and rail should form an integral part of our transport network.

The transition to a lower emissions society calls for equality, to ensure fairness and accessibility, so everyone has the ability to participate in our communities. The proposed policies in the transport section of the plan do not appear to have been assessed for their impacts on equality.

We call on the Government to ensure the plan gives greater consideration to policies that will better support Kiwis on low incomes and people with limited mobility to travel freely, while reducing their emissions.

These policies could include:

- Working with local government to encourage a more compact urban form, where people can easily get to where they need to go while producing the lowest possible emissions
- Safer walking and cycling infrastructure targeted at low-income communities and schools
- Subsidies or support to access e-bikes and other micromobility devices
- Higher public transport subsidies and free public transport for those under 25, students and all Community Service Card holders. (Waka Kotahi research shows lower prices increase public transport use)
- Subsidies to support provision of better, more affordable inter-regional public transport options (bus or rail)
- Targeted support for low-income families to transition from old, unreliable vehicles with high emissions to modern, electric vehicles

The Government could also:

- Develop a nationwide cross-party public transport infrastructure plan so that we can retain talent and reduce costs by bundling initiatives together
- Invest in the rail network including rural lines, expanding and improving the rail networks in Auckland and Wellington and begin electrifying the rail network starting with the Golden Triangle (Auckland to Hamilton to Tauranga)

Chapter 7: Agriculture

In line with the Climate Commission's [warning](#) that there are significant risks to achieving the 2030 biogenic methane target, we are deeply opposed to a review of the methane target. Instead, we call on the Government to follow the Commission's advice and develop new policy measures in agriculture alongside continued action on waste emissions to meet the 2030 target. The science is clear, methane is a much more potent greenhouse gas in the short term and therefore reducing it in the short term is critical.

Our international markets and consumer pressure are already demanding that our agricultural practices become more sustainable and the reduction of biogenic methane production is a key part

of this. There is no need to wait for unproven technologies to be developed before emissions from agriculture can be reduced

We would like the Government to focus on added value from the agricultural sector rather than focusing on concerns around emission solutions reducing production. Encouraging genuine sustainability practices that are third-party audited would provide a premium on our export products in international markets.

We also believe there is a need to reduce farmers' reliance on synthetic fertilisers, especially nitrogen fertilisers, and instead encourage regenerative farming practices.

These could include:

- Different feeding practices
- Using low emission breeds of sheep and cattle
- Better matching crops and agricultural activities and matching land use to the soil and land types; this would also help with resilience as agricultural/horticultural activities are on the 'front line' of climate change impacts as Cyclone Gabrielle in 2023 illustrated

Chapter 8: Forestry and wood processing

We caution against the Government's over reliance on exotic forestry planting to help meet New Zealand's climate commitments. Offsets are not the equivalent of reductions - and planting more exotic trees and pursuing other forms of offsets carry many more risks. These include increasing slash rates in cyclones, as we have seen in recent storms, increasing the risk of forest fires as temperatures rise and lower success rates from planted seedlings due to increased droughts.

The Climate Change Commission's [monitoring report](#) points out that if there are insufficient reductions in gross emissions for the second emissions budget (2026-2030), which is a risk under this plan, "this cannot be made up by increased removals of carbon dioxide through forestry. Additional forest planting can no longer make much difference to this period, because the rates of increase of carbon removal through trees is slow in the early stages of new plantings."

We cannot plant and offset our way out of climate change. Instead, we need sustained and permanent solutions for reducing the amount of carbon dioxide, methane, nitrous oxide and synthetic industrial gases in our atmosphere that start with reducing emissions at source.

Chapter 9: Non-forestry removals

We encourage the Government to invest in nature-based solutions and activities at a national and local level. As well as reducing emissions, initiatives such as creating wetlands, pest eradication and on-farm vegetation projects with riparian and shelterbelt planting, have multiple benefits. These include increasing biodiversity and improving the natural environment for communities to enjoy.

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