

## Sustainable Business Council and Climate Leaders Coalition

### Briefing for Incoming Ministers

30 November 2023

#### Introduction

The Sustainable Business Council (SBC) is a CEO-led membership organisation with around 140 businesses from all sectors, ambitious for a sustainable New Zealand. Our members represent more than \$158 billion of collective turnover, 41% of GDP, and over 280,000 full-time jobs. SBC is a division of BusinessNZ with its own [Advisory Board](#), comprised of corporate CEOs and executives. The Board is Chaired by Gareth Marriot, CEO, OCS Group ANZ.

We also host the Climate Leaders Coalition (CLC). The Climate Leaders Coalition is a CEO-led community of around 90 organisations leading the response to climate change through collective, transparent and meaningful action on mitigation and adaptation. The CLC is governed by a [CEO steering group](#), Chaired by Jolie Hodson, CEO, Spark.

[Mike Burrell](#) is the Executive Director of SBC and the Climate Leaders Coalition.

The SBC and CLC share a vision for *"A New Zealand where business, people and nature thrive together."*

#### Working with a new Government

We welcome the Coalition Government's ongoing commitment to climate action, and to meeting New Zealand's emissions reductions targets and goals. We are keen to work with you to find constructive options and ways to meet these goals that are cost-effective, efficient and deliver economic growth.

We look forward to working with the incoming Government on delivering New Zealand's economic and environmental objectives. We are aware that the second emissions reduction plan is an opportunity to set out policies to reduce emissions, invest in the infrastructure and resilience we will need, and create an economy that delivers sustainable growth. It is imperative for our members that New Zealand is able to meet the emissions reduction budgets the Coalition Government has committed to as we track toward net-zero emissions.

As a partner you will find the SBC and CLC memberships ambitious for New Zealand, pragmatic in our approach, and committed to solutions that work.

## The priorities

SBC and CLC prepared a joint [Pre-Election Briefing Paper](#) in April 2023 on behalf of its memberships. This paper provides context and detail to support this Briefing.

At a headline level:

1. SBC and CLC members wish to see the continuation of the climate change response architecture which has sent a signal to the private sector about the trajectory toward 2050, giving businesses the certainty needed to invest and innovate to advance New Zealand's pathway to a zero-carbon, climate-resilient economy. It is critical those signals don't change.
2. We strongly support a functioning Emissions Trading Scheme alongside pragmatic complementary measures to avoid undue impacts on households. We look forward to engaging you on ETS settings, including how best to invest the funds generated to support citizens through the transition, as well as accelerate mitigation and adaptation.
3. We strongly believe New Zealand needs to focus on mitigation, resilience and adaptation, and we stand by ready to work with you on some of these challenges which can only be resolved through collaborative approaches between central government, local government, and business.

## Four sectoral recommendations

We have four areas of sectoral priority we would like to specifically address in this briefing.

### 1. *Energy - Increase investment in infrastructure for decarbonisation and electrification*

SBC and CLC welcomes the incoming government's intention to 'Electrify New Zealand'. New Zealand needs a future Energy Strategy and this work needs to be accelerated. We would like to work with you on cost-effective opportunities to encourage businesses to decarbonise.

Recommendation: Accelerate the development and implementation of the New Zealand Energy Strategy; update regulatory settings to enable regulated infrastructure to support decarbonisation; provide clear consenting pathways for energy infrastructure; and explore policy measures to incentivise the uptake of distributed renewable technologies.

### 2. *Agriculture – Maintain momentum to reduce agriculture emissions*

SBC and CLC support the Coalition Government focus on technology and tools for farmers to reduce agriculture-related greenhouse gas emissions. We support the continuation of the Centre for Climate

Action JV (Agri-Zero™), and the provision of tools for farmers to measure and manage emissions. We also see an increasing opportunity for the use of nature-based solutions for managing the environmental impacts of agriculture. We look forward to working with you on these topics.

We are also keen to engage you on the review of the methane target and the pricing of agricultural emissions. We want to avoid creating additional uncertainty in the market. Our fundamental driver is ensuring agricultural exporters remain competitive on the world stage, including through meeting the environmental standards of major multinationals and export markets.

Recommendation: Maintain support for the Centre for Climate Action Joint Venture, a major private-public partnership with New Zealand's leading agricultural companies launched in 2022 that is focused on accelerating agricultural GHG emissions reductions.

### 3. *Transport - Accelerate transport decarbonisation in both the light and freight fleets*

SBC and CLC welcome the Coalition Government's proposed investment into EV charging infrastructure and supports the need for a robust cost-benefit analysis prior to investment. We support the National EV Charging Strategy and believe it needs to be implemented through private and public sector mechanism. We are keen to be involved in the design and delivery of this.

We believe rapidly switching the car fleet as part of a programme to electrify New Zealand is key to decarbonising. Complementary policy will be needed to help convert over 4 million vehicles at the pace required to meet the targets. We believe there is a role for policies to work alongside the Clean Car Standard to decarbonise the transport sector. Without these it will be challenging to meet targets. We are ready to work alongside you on the transition away from the Clean Car Discount towards an alternative solution.

Heavy transport presents a real challenge for emissions. We have recently completed a feasibility study into developing a system of Renewable Freight Certificates to certify low-emissions freight routes throughout the country is a feasible and achievable option. If established, this system would help fund additional low carbon freight vehicles, resulting in significant emissions reductions from Aotearoa New Zealand's freight sector. We look forward to discussing this market-led approach with the Minister of Transport.

Recommendation: Decarbonise light passenger travel through electrification (including charging infrastructure capacity); decarbonise freight through optimisation, fuel switching and mode shift; and decarbonise aviation.

### 4. *Adaptation - Accelerate action on climate adaptation while reducing emissions*

SBC has formed a small group of business leaders focussed on adaptation that we would like to establish to work with the Minister of Climate Change on pragmatic ideas to adapt to climate change and build resilience over the coming decades.

Recommendation: Work in partnership with business to provide clear policy direction on adaptation efforts over the short and long term; review the size and scope of funding to support climate change adaptation; and implement the Infrastructure Commission's recommendations on strengthening resilience to shocks and stresses.

## **Conclusion**

The challenges presented by climate change will only be resolved with strong collaboration between business and government. We strongly support approaches where government provides the right enablers for business to deliver. This will take both ambition and pragmatism. We look forward to working together to position New Zealand to thrive into the late 2020s and beyond.