



Tackling the Climate Emergency

Labour's Climate Manifesto

Foreword

While the climate crisis challenges us all with more severe weather and changes to the way we live, the way we respond is an opportunity to build a more prosperous and resilient country.

This is Labour's Climate Manifesto. New Zealand's first Manifesto dedicated to Climate Change.

I decided to prepare a separate Climate Manifesto as 2024 will be the most significant year for New Zealand's climate response since the Zero Carbon Act was passed in 2019.

The next Government will face some big decisions next year. It will need to set the next emissions reduction plan and decide on how the Emissions Trading Scheme should work, the role of forestry in the transition, and how reliant New Zealand will be on offshore credits and the quality of those credits.

It's crucial that New Zealand has the right decision-makers in place so that we do not miss out on a once in a lifetime opportunity to get this right.

At this election all parties should set out their approach to the second emissions reduction plan.

Our opponents voted against recognising a climate emergency. The few policies they have announced would take us back by around six million tonnes by 2030, push action on methane to next decade, slow electric vehicle uptake, and restart offshore oil and gas exploration. They are yet to announce a single policy that achieves additional emissions reduction.

We cannot take a step back. We need to accelerate progress.

In Government, Labour has reduced our emissions three years in a row, passed the Zero Carbon Act, reformed the emissions trading scheme, and overseen record levels of renewable energy generation and electric vehicle uptake.

The Government's latest modelling shows we're on track to meet the first emissions budget – but it's tight and meeting our next budgets rests on doing more, not cancelling the policies that work.

If we want to remain a highly successful export nation, we must not only keep pace with consumer expectations but lead and maintain our clean, green brand.

This document lays out Labour's priorities for the second emissions reduction plan and the key steps we'll take as part of our plan to build a high-wage and low-emissions economy that provides security in good times and bad. It's not a complete list, as the second emissions reduction plan will be informed by advice from the Climate Commission in December and from agencies next year.

Let me be clear: as well as the first emissions reduction plan, we will develop a second emissions reduction plan that puts New Zealand on the path to achieving our 2030 goals and lays the foundations to be net zero by 2050.

As Prime Minister I will continue to Chair a special Climate Response Ministerial Group and be responsible for the Board of public sector Chief Executives responsible to tackling Climate Change. The Parliamentary Commissioner for the Environment's advice is clear – Prime Ministerial leadership is crucial for tackling the climate emergency.

Chris Hipkins
Labour Leader



OVER THE LAST SIX YEARS WE'VE MADE CONSIDERABLE PROGRESS TACKLING THE CLIMATE EMERGENCY.



1. Emissions have fallen for three consecutive years.
2. New Zealand is on track to meet its first emissions budget.
3. Passed the Zero Carbon Act.
4. Established the Climate Change Commission.
5. Established the Climate Emergency Response Fund so polluters pay for climate action.
6. Overhauled the Emissions Trading Scheme and put a sinking lid on emissions for the first time after a decade of inaction and dodgy credits.
7. Record levels of renewable electricity generation.
8. Lowest coal imports since 2013.
9. Delivering 81 significant industrial decarbonisation projects and two significant partnerships with New Zealand's largest industrial emitters — cutting emissions by 1.6m tonnes a year.
10. Banned new coal boilers.
11. Removed 50 coal boilers at 46 schools.
12. EVs and hybrids now half of new cars.
13. 230% increase in the number of EVs on our roads since 2020.
14. Co-funded more than 1,300 EV chargers across New Zealand.
15. Four times more climate aid for developing countries to mitigate and adapt.
16. Record investment in public transport and rail.
17. Free fares for kids 13 and under, and half price for 14 – 25, half price for community card holders, and continued free off-peak transport for over 65s.
18. Preventing more than a billion plastic shopping bags and 150 million plastic produce bags a year from being used – that's 17,000 plastic bags an hour.
19. Ended new offshore oil and gas exploration.
20. Delivered 80,000 energy efficiency LED lights to 13,000 households.
21. An average 58 percent increase to bus drivers pay since we took office.
22. More than 110,000 insulation and heat pumps installations have been completed through Warmer Kiwi Homes since 2018.
23. Required all new buses to be electric from 2025, all buses to be electric by 2035.
24. Electrifying Auckland's rail network out to Pukekohe.
25. Required Crown Financial Institutions manage their portfolios to align with net-zero emissions by 2050.
26. Required large companies to publicly report on climate risks.
27. Created Green Investment Finance to co-invest alongside businesses in new technology and new and innovative start-up businesses and low-carbon technologies of the future.
28. Established the Centre for Climate Action on Agricultural Emissions to get tools and technology to reduce on-farm emissions to farmers quicker, in partnership with business.
29. Started to replace the entire government fleet with zero-emission vehicles.
30. Brought in vehicle emissions standards for new imports for the first time in New Zealand history.
31. Made Greenstar 6 the minimum build standard for all new state homes.
32. Became the first country in the world to legislate for a price on agricultural emissions and currently building the world's only farm-level emissions measurement, management and pricing system with farmers and growers.
33. Changed rules to make sure Kiwisaver Default Funds divest from fossil fuels.

BUT WE NEED TO ACCELERATE PROGRESS.

All coal boilers will be out of schools and hospitals by 2025.

100,000 more heating and insulation installations through Warmer Kiwi Homes.

EV charging hubs every 150 – 200 kilometres on main highways.

600 to 1000 EV chargers at community facilities in smaller rural communities.

\$18,000 rebate for energy efficient deep retrofit of existing homes.

\$7,000 rebate for partial retrofits like double-glazing and insulation.

\$3,000 rebate for households who electrify and move off gas.

Support for low emissions trucks to help our freight industry decarbonise.

Doubling the number of homes with solar panels through a new \$4,000 rebate.

Rapid transit projects under development in Wellington and Christchurch, Auckland Light Rail, the Northwestern and Eastern Busways, and the Alternative Waitemata Harbour Crossing.

Turn NZ into a Centre of Excellence for sustainable agriculture and agricultural technology.

Become a world leader in renewable energy and climate science.

AND THAT'S NOT ALL. OUR MANIFESTO BUILDS ON THESE COMMITMENTS.



The Second Emissions Reduction Plan

Our future depends on limiting the warming of our planet. While New Zealand's emissions may be smaller than many, our per capita emissions are still some of the highest in the OECD.

New Zealand needs to play our part. Labour is committed to achieving the emissions budgets, and our 2050 goals.

We've reduced climate pollution for three consecutive years, passed the Zero Carbon Act, reformed the emissions trading scheme, and put New Zealand on track to achieve its first emissions budget.

Next year we will develop a second emissions reduction plan that puts New Zealand on the path to achieving the second emissions budget. **Labour calls on all parties to make this commitment.** In developing this plan, our priorities will be:

- **Enabling innovative and dynamic businesses to take advantage of the economic opportunities arising from the transition to a low-emissions economy.** A core focus of the next emissions reduction plan will be on innovation and developing, and expanding the use of, new technology.
- **A just transition** for local communities, including workers, to adapt to economic change in response to climate change
- **Delivering on our reputation.** For a country already earning a premium from our clean, green and innovative image, there is an opportunity to use that natural advantage to create new jobs in new industries and future-proof our exporters for changing consumer demands.

- **Accelerating our transition away from fossil fuels to domestically generated renewable energy.** This not only helps the climate, but also helps to stabilise prices for all New Zealanders so we can warm our homes, power our cars, and run our businesses affordably.

In achieving these objectives Labour will:

- **Ensure climate policy prioritises gross emissions reductions,** including by amending the Emissions Trading Scheme to clearly prioritise gross emissions reductions towards our emissions budgets. While forestry has a crucial part to play, we cannot offset our way out of the climate crisis.
- **Use complementary policy to emissions pricing such as GIDI investments.** Evidence shows that emissions pricing on its own cannot achieve our emissions budgets. Moreover, relying on pricing alone would add significant unnecessary cost to Kiwi families, require perpetual and significant afforestation, would lead to net-zero lasting for less than 15 years, and would have significant social and economic costs.
- **Reduce waste and shift to a more circular economy.** New Zealand is one of the highest generators of waste per person in the world. On average, every year each New Zealander sends approximately 750kgs of waste to landfill, and much of this could be avoided, recycled, re-processed or reused. We will work to prevent more food waste from going to landfills, phase out hard-to-recycle single-use plastics, reduce emissions-intensive construction waste, and modernise recycling and landfills including increasing gas capture at landfills. We will release Labour's full plan to reduce waste in the coming weeks.

- **Implement the new resource management system** in the Spatial Planning and Natural and Built Environment Act to not only enable faster, cheaper, and better consenting of new homes and infrastructure, but restore the environment, enable greater intensification, and reduce emissions.
- **Recycle ETS proceeds into climate action** that supports immediate emissions reductions and helps lay the foundations for future reductions and removals.
- **Advocate more forcefully for faster and more ambitious global action** to get to net zero and support **developing countries to build resilience to climate change**. Through this work we will ensure the climate finance we are providing for mitigation, adaptation, and loss and damage is high-quality and evaluated, and remains new and additional to overseas aid.

The Climate Commission's modelling suggested that only 20-23 percent of net emissions reductions would be driven by the Emissions Trading Scheme.

Relying on the Emissions Trading Scheme without complementary policy is the most expensive and disruptive way to reach our climate goals. Expert advice is clear that "a high reliance on emissions pricing would fail to achieve many low-cost emissions reduction opportunities due to the presence of other barriers. For this reason, this option is considered to have the highest economic cost."

Using emissions pricing to achieve the same outcomes as the Government Investment in Decarbonising Industry Fund would likely require an ETS price is higher than \$180 – **meaning everyone would pay at least 40c per litre on petrol**. Not only that some of our biggest manufacturers may start to scale down at this price – costing jobs.

Officials estimated replacing the Clean Car Discount with the ETS would require an ETS price of approximately \$575 **which would see an extra \$1.30 per litre on petrol prices**.

Climate Commission modelling shows high reliance on emissions pricing would mean an extra 400,000 hectares of new exotic carbon forest by 2050 – equivalent to all land used for sheep farming across New Zealand. The removals generated by these new forests will mean emitters are not incentivised to reduce their emissions.

Growing a low-emissions economy

There are significant opportunities for innovative businesses to build the high-wage jobs of the future while lowering emissions. They can do this through developing new, clean and green businesses, and adopting new technology. Labour will support businesses to do this.

In our first term we established New Zealand Green Investment Finance as a Crown-owned green investment bank. The fund has accelerated investment in companies, technologies and projects that reduce greenhouse gas emissions in New Zealand. It seeks to “crowd-in” private capital and shape private sector capital markets towards green investment.

NZ Green Investment Finance has invested more than \$300m in nearly 20 programmes across a range of sectors, from providing working capital to Lodestone Energy, to supporting the construction of five solar farms, to new technology that manufactures sand from recycled glass, concrete and slag, to new electric buses.

- **Labour will support the growth of NZ Green Investment Finance by investing a further \$300m, bringing our total commitment to \$1bn.**

Based on the emissions reductions forecast at Budget 2023, this investment is expected to reduce emissions by a further three million tonnes by 2030.

New Zealand has some of the best researchers in the world. Through Te Ara Paerangi Future Pathways science-system reform programme, Labour will focus our research, science, and innovation system on the future. This includes setting system priorities, such as how Aotearoa New Zealand can overcome the challenges of becoming a low-emissions economy and society.

- **Labour will establish a Climate Change priority to bring a far higher degree of future focus from our research, science and innovation system**, following advice from an independent strategic panel of experts. The Priorities will be set in early 2024 and be in place before the National Science Challenges come to an end in mid-2024. We will commit an initial \$50m from the Climate Emergency Response Fund to support this crucial research.

Climate Innovation Platforms have the potential to coordinate action on key challenges and ensure that New Zealand grasps opportunities to shift to a low-emissions future.

- We will establish mission-led, **international-facing, climate innovation platforms** focused on some of the most challenging parts of our economy, and designed to help businesses absorb climate innovation at pace – with a mandate stretching across different agencies and sectors to identify and remove barriers to testing and widespread use of innovations. We will commit an initial \$20m from the Climate Emergency Response Fund to support this work.

Just Transition

Tackling the climate crisis is an opportunity to improve wellbeing, become more productive, increase resilience and reduce inequality. Labour is committed to a Just Transition for those adversely affected, including opportunity and fairness to all, the principles of Te Tiriti o Waitangi, and maintaining a healthy and sustainable environment.

We will develop a Just Transitions Strategy that is built on five objectives:

- 1. Seize the opportunities of the transition.*
- 2. Support proactive transition planning.*
- 3. Enable an affordable and inclusive transition.*
- 4. Build the evidence base and tools to monitor and assess impacts.*
- 5. Encourage informed public participation.*

We will build on the work we have undertaken in Taranaki and Southland to use the climate crisis to grow a fairer, wealthier, and more equal nation. We have supported high-impact projects that these regions have identified as crucial to transition from reliance on the aluminum smelter or offshore oil and gas. This work will help create new industries, transition workers and support long-term planning for the region.

- **We will appoint a Minister for Just Transitions** to lead our work with local communities, including workers, to adapt to economic change as a result of climate change. This Minister would provide an overarching lens across all cabinet decisions to steward action across all areas of society.
- **We will deliver a Just Transitions Strategy**, ensuring that legislative and regulatory measures support our world-leading transition to zero carbon emissions and sustainable protection of the environment.
- **We will support the Just Transitions Unit to continue their work** to build an understanding of the potential pathways to create a low emissions economy, identify, create and support new opportunities, and by working with communities, make choices about how to manage the impacts of the transition on different communities.
- **We will establish a Centre of Excellence for Renewable Energy** to deliver training opportunities for our energy workers of the future. Building on Labour's commitment to make the successful Apprenticeship Boost programme permanent, the government and industry-established Centre will provide training opportunities for new and existing energy workers to ensure New Zealand has the workforce needed to deliver the energy transition.



Delivering on our reputation

Our goal of a low-emissions economy also rests on our ability to produce world-leading food and fibre products that keep pace with consumer expectations and maintain our clean, green brand. Our goal is to support our primary sector to stay at the head of the pack in a rapidly changing world. Global companies and consumers are demanding higher environmental standards from how we farm and grow the goods we sell to them.

- We will support investment into new technologies and promote our actions on the world stage. You can read more about our plan to seize New Zealand's advantage of being a 'test-bed' for agritech development and our clean, green brand to turn New Zealand into a Centre of Excellence for sustainable agriculture and agricultural technology [here](#).
- We will continue to work alongside agri-business leaders to get **tools and technology to reduce on-farm emissions to farmers quicker through the Centre for Climate Action on Agricultural Emissions**.
- We will partner with the sector to develop a **calculation methodology, available from April 2024, to measure and report on-farm emissions**, introduce **mandatory reporting requirements for agriculture emissions** from quarter 4 2024 and a **pricing mechanism** from quarter 4 2025. By 1 January 2025 all farms must have a farm plan to measure and manage their emissions.
- We will **recycle revenue from emissions pricing** to reward on-farm sequestration and to develop and roll out new technologies to farmers.
- We will **continue to support specialised extension services** with a climate and environmental focus and fund on-farm incentives to take action to reduce methane emissions through an effective system to price emissions from 2025.
- We will **improve broadband for 99.8% of all New Zealanders by the end of 2023** to support more farmers to adopt precision farming tools to manage inputs, lift productivity and minimize environmental impacts more efficiently.
- We will **make riparian planting and indigenous forests available for sequestration** to coincide with pricing and **enable innovative pathways for the sector to progress other forms of sequestration** in the ETS, such as wetlands and vegetation.
- We will **drive down gross emissions and avoid over-reliance on plantation forestry**. We cannot offset our way out of the climate crisis.
- We will continue to pursue trade deals that leverage off our international reputation and deliver significant economic benefit, like the EU and UK FTAs. In six years the Government has secured seven new or upgraded trade deals now covering nearly 75% of our exports.

Making fossil fuels history

Accelerating our transition away from fossil fuels to domestically-generated renewable energy not only tackles a quarter of our total gross greenhouse gas emissions, but helps to stabilise prices for all New Zealanders so we can warm our homes, power our cars, and run our businesses. Continuing our reliance on volatile and unpredictable international fossil fuel markets is a threat to our economic security.

- We will **implement *Empowering New Zealand*, our 12-point Plan to increase renewable electricity**, as set out below.
- We will **deliver the infrastructure needed to drive electrification**, including by improving the resilience and capacity of electricity transmission infrastructure.
- We will **halve power bills on Chatham Island** by delivering a renewable energy system.

Decarbonising the transport system will deliver better transport for everyone in Aotearoa New Zealand. It will reduce our reliance on volatile global energy markets and save Kiwi families significant amounts of money each day.

- We will **focus on reducing congestion and emissions, boosting productivity and improving the resilience of our transport network**.

New Zealand has a target to reduce total kilometres travelled by the light fleet by 20% by 2035. Labour is committed to improving the reach, frequency and quality of public transport and making it more affordable for low-income, seniors, and younger New Zealanders.

- We will **progress the rapid transit projects** under development in Wellington and Christchurch, Auckland Light Rail, the Northwestern and Eastern Busways, and the Alternative Waitemata Harbour Crossing.

- We will significantly **improve the frequency, reliability, accessibility, and quality of public transport** to improve productivity and reduce congestion. This includes rolling out a standard national ticketing service from 2024.
- We will **decarbonise our public transport network**. We will continue to deliver the Sustainable Public Transport Framework, including establishing the zero-emissions public transport bus mandate by 2025 and work to fully decarbonise the public transport bus fleet by 2035, and progressively electrify the North Island Main Trunk Line between Papakura and Te Rapa, with electrification to Pukekohe being completed next year.
- We will continue to **ensure that bus drivers, train drivers, and other public transport workers are well paid** in order to increase the workforce and retain existing workers.
- We will **improve the safety of cyclists and pedestrians** by continuing with currently underway legislative reforms to facilitate more efficient delivery of street design changes designed to make walking and cycling safer and more attractive and deliver new cycling infrastructure.
- We will **better integrate transport planning and land-use planning** through the new Spatial Planning Act and Natural and Built Environment Act.
- We will work across Parliament to **progress legislation enabling local authorities to progress Congestion Charging**.

Two-thirds of transport emissions come from the light vehicle fleet. New Zealand has a goal to increase zero-emissions vehicles to 30% of the light fleet by 2035. We've made great progress. We've overseen a more than eight-fold increase in the value of electric vehicles imported between the year to March 2023 and the year to March 2023, as more than 140,000 New Zealanders have been supported into a low emissions vehicle.

- We will **continue the Clean Car Discount**, New Zealand's most successful climate policy. It has delivered one of the fastest growing rates of EVs in the world. By early 2023 this programme was driving a level of electric vehicle uptake not expected until 2027. In July alone more than 14,000 Kiwis received a rebate to purchase a low emissions vehicle. The Clean Car Discount will save New Zealand from importing 1.4 billion litres of petrol saving the economy an average of \$325 million a year on fuel.

Cancelling the Clean Car Discount would mean three million tonnes more climate pollution. On current modelling, New Zealand would likely miss the first emissions budget if this policy was cancelled.

- We will **keep the Clean Car Standard** and maintain the vehicle standards set in Land Transport (Clean Vehicles) Amendment Act 2022. As part of the statutory review in 2024, we will set standards for 2027 to 2030.
- We will partner with the private sector to **double the number of public electric vehicle chargers through EV charging hubs every 150 – 200 kilometres on main highways and between 600 and 1000 EV chargers at community facilities in smaller rural communities**. This builds on the more than 1,300 EV chargers we've co-funded across New Zealand, growing our public EV charging network to the point that we now have fast/rapid charging stations at least every 75 kms over 97% of our state highway network.
- We will **implement and release a national EV-charging infrastructure strategy** to set out the Government's vision and policy objectives.

Reducing emissions from freight transport is critical for reducing our emissions and easing the cost of living.

- We will work to **reduce emissions from freight transport** through supporting the sector to decarbonise heavy transport and freight, implementing the New Zealand Rail Plan, and supporting coastal shipping.
- We will take pressure off freight costs by providing approximately 500 grants towards the purchase of **low emissions heavy vehicles**, including trucks, heavy vans and non-public transport buses.
- We will continue to **invest in the restoration of the national rail network** to improve resilience, support freight and passenger rail growth, including working to extend rail freight from Wairoa to Gisborne, develop domestic rail workshops at places like Hillside and Woburn and consider the establishment of inter-regional passenger rail between Auckland, Tauranga, and Wellington.
- We will **roll out the Low Emissions Transport Fund**, backing the private sector to invest in alternatives to fossil fuel vehicles.



Empowering New Zealand: Labour's 12-point Plan to increase renewable electricity in New Zealand

We have one of the best electricity systems in the world. It is clever and clean and stands in contrast to the huge price hikes and instability experienced overseas. New Zealand has one of the highest rates of renewable electricity generation in the world, reaching record rates in 2023.

While we have benefitted from our large hydro dams to date, New Zealand needs a clear plan to grow our renewable energy generation capacity as we electrify our economy and reduce our reliance on volatile offshore fossil fuels.

Backing renewable energy and electrifying our homes and businesses will ease the cost of living, reduce the costs for business, reduce our emissions, and improve New Zealand's economic security independence and security as we transition away from volatile offshore fossil fuels.

This plan supports cheaper power bills, a key part of Labour's 10-point Cost of Living Plan. The faster we accelerate our transition away from fossil fuels to domestically generated renewable energy, the more secure our economy will be and the more insulated Kiwi families will be from significant price fluctuations when warming our homes and powering our car.

1. New Zealand's Energy Strategy

The future of energy in New Zealand is renewable. To support this, the Government is consulting on a draft plan to meet our targets of 50 percent of total energy consumption from renewable sources by 2035 and 100 percent renewable electricity by 2030. New Zealand's Energy Strategy will publicly set out the new generation needed to support the transition to a low emissions economy, address strategic challenges in the energy sector, and signal pathways away from fossil fuels. We will finalise our Energy Strategy next year, ban new fossil fuel baseload electricity generation to ensure the market is focused on new renewable generation, and continue to examine dry year storage solutions to help New Zealand achieve 100 percent renewable electricity.

2. Fast-track renewable energy generation to reduce our reliance on fossil fuels and cut our carbon emissions

We will implement a new National Policy Statement for Renewable Electricity Generation and Electricity Transmission within our first 100 days of Government and carefully transition to the new Spatial Planning Act 2023 and Natural and Built Environment Act 2023 to enable the faster roll out of renewable electricity generation projects. We will continue the fast-track pathway that has seen wind farms, geothermal generation, and more than 2 million solar panels referred for faster consenting to date – the equivalent of almost four Clyde Dams (1,608 MW, 3.72 Clyde Dams).

3. Accelerating roll out of offshore renewable energy projects, with an initial focus on offshore wind, by the end of 2024

New Zealand is a renewable energy superpower. Our massive hydro, wind, solar, and geothermal potential mean we're already leading the world in renewable electricity generation, but we can go even further, faster.

Our Government has fast-tracked the development of a regulatory regime for renewable offshore energy, starting with offshore wind. These projects will deliver a clean, stable source of renewable energy to help us become more energy-independent and avoid the fluctuations in cost of fossil fuels like oil and coal while creating new, highly skilled jobs. We will establish a regulatory framework for offshore wind by 2024 to provide investors certainty and to ensure promising new generation projects can get underway.

4. Backing the private sector to lower costs, improve productivity and reduce emissions

We have invested in New Zealand businesses to help cut their emissions and position them to succeed and grow throughout our transition to a net zero economy. We're investing in 81 significant industrial decarbonisation projects set for completion by December 2027, and two significant partnerships with New Zealand Steel and Fonterra. Altogether, these projects will reduce emissions by almost 1.6 million tonnes of CO₂-e – the equivalent of taking almost 600,000 cars off the road.

These partnerships also create or sustain highly skilled jobs for Kiwis, keep kiwi businesses here and earning export revenue, and protect domestic supply chains for vital products, including steel.

Cancelling the Government Investment in Decarbonising Industry Fund would increase emissions by more than 5 million tonnes on current forecasts and put jobs at risk in some of our biggest exporters.

5. Positioning New Zealand as a world leader in renewable energy expertise

Another global energy revolution is upon us and our renewable electricity system is a key strategic advantage as we move through the 21st century. New Zealand is well placed to seize this opportunity and export our energy and expertise to the world, while creating thousands of new, highly skilled jobs.

New Zealand is an investment magnet for capital that will unlock technology such as battery storage, wind and solar generation, green hydrogen production and more electric vehicle chargers across the country. We'll work to seize this opportunity and demonstrate the huge economic potential of New Zealand being a renewable energy superpower. We'll build on BlackRock's \$2 billion fund and the work of New Zealand Green Investment Finance to accelerate investment in innovative and dynamic companies, new technologies and significant projects that seize the opportunities arising from the transition to a low-emissions economy.

6. Creating new export opportunities, high-wage jobs and regional industries through hydrogen production

Hydrogen is a key future tool for reducing emissions in the parts of the world economy that will be difficult to decarbonise, such as heavy transport and aviation. Its versatility, low weight, and wide range of uses could make it a particularly valuable and sought-after commodity here and abroad. New Zealand is uniquely placed to become an export powerhouse in hydrogen production using renewable energy, creating new export opportunities, high-wage jobs and regional industries.

7. Incentivising rooftop solar

New Zealand trails many other comparable countries in uptake of solar technology. The lack of financial incentives for households to install roof-top solar means demand has been low, and we know the upfront cost of solar technology in New Zealand is both a barrier to uptake and is higher than other countries with more developed industries. Labour will create a new rebate to incentivise and support households to adopt roof-top solar and reduce electricity bills for households, while reducing emissions, and improving energy resilience. You can read more about this policy [here](#).

8. Investing in community renewable energy projects

Labour will continue to support community-scale renewable electricity projects to bring down household electricity costs, reduce emissions, and improve the energy resilience of our communities.

We've already delivered 33 small-scale projects across New Zealand, with more in the pipeline. Households supported through these projects are saving up to 50 percent on their electricity bills, while reducing pressure on the electricity grid. Investment through Budget 2023 will enable a further 2,000 households to benefit.

Labour started a programme to provide the benefit of solar electricity generation to public housing tenants, rolling out solar to almost 1,000 households. We'll continue to deliver solar panels on public housing, rolling out solar to 1,000 more public homes each year.

9. Use the Government's purchasing power to underwrite new renewable generation

Government purchases electricity for public facilities, including schools, hospitals, universities and police stations, and we can use this purchasing power to drive investment into new renewable electricity generation projects. Labour will establish All-of-Government

Power Purchase Agreements to provide security to build new projects at scale and investigate any barriers preventing similar agreements in the private sector.

10. Carefully manage the transition away from fossil gas

Labour will finalise the Gas Transition Plan to identify the opportunities and benefits provided by the energy transition for the gas sector, identify pathways for the fossil gas sector (focusing on the period out to 2035), and identify the role for renewable gases and other low-emissions technologies.

11. End the Government's use of polluting coal

As part of our the State Sector Decarbonisation Fund, Labour is on track to remove all coal boilers from hospitals, such as Ashburton Hospital, and public schools by 2025, with the wider public sector following soon after.

12. Establish a Centre of Excellence for Renewable Energy, in partnership with industry, to deliver training opportunities for our energy workers of the future

New Zealand's energy transition is a huge opportunity to cut electricity bills and reduce our emissions, while creating thousands of highly skilled, well-paid jobs for New Zealanders. Many of our existing experienced energy workers, such as those working in the oil and fossil gas sector, have excellent transferable skills, which will be well-suited to the clean, green energy jobs of the future.

But as new job-rich energy projects are commissioned, we must ensure we have the workforce here in New Zealand to deliver on our potential. That's why Labour will establish a Centre of Excellence for Renewable Energy, working with industry and our education and training sector to train the energy workers of the future.



Driving a low-emissions economy

The Labour Government has made significant strides on reducing emissions to combat climate change.

2024 will be a significant year in the progression of that work, the most significant since our establishment of the Zero Carbon Act in 2019.

The Emissions Trading Scheme is New Zealand's primary mechanism to reduce emissions, but it's clear it is not working as well as it could. The Climate Commission effectively says the ETS doesn't work to reduce gross emissions, but instead drives the increased planting of exotic, primarily pine, forestry across regional New Zealand to reduce net emissions.

We cannot offset our way out of the climate crisis, nor risk the damage to rural communities and productive farmland through unchecked afforestation.

This election, parties must be focused on reducing gross or total emissions. We only need to look to the recent Cyclone Gabrielle to see the economic, social and environment consequences of significant afforestation and poor forest management.

Every political party must set out their position on these significant decisions

What National is putting at risk:

National's proposal to replace the Clean Car Discount and our successful support for manufacturers to convert to greener technology with more afforestation would have a significant impact on rural communities and put the Emissions Trading Scheme at risk.

Climate Commission advice shows that failing to constrain exotic forestry would mean an extra 400,000 hectares of new forest by 2050 – that is equivalent to all land used for sheep farming across New Zealand. This would undermine our goal of becoming a world leader in sustainable agriculture and agricultural technology.

Perpetually planting farms in pine trees to reach and stay at net-zero is not the answer. 60,000 hectares of exotic forest was planted in 2022 – more than seven times the average between 2013 and 2018. If this were to continue, the ETS market would collapse in the early 2030s.

And so, this election all political parties need to clearly set out whether they will prioritise gross emissions reductions in our ETS and reduce the role of exotic forestry.

1. Climate Commission, Ināia tonu nei, at page 91 compared to Stats NZ Agricultural and horticultural land use, updated 15 April 2021

Labour will amend the Emissions Trading Scheme to clearly prioritise gross emissions reduction

The Emissions Trading Scheme influences businesses and individuals to reduce emissions based on their own circumstances, rather than mandating specific actions. This enables cost-effective emissions reductions.

Labour accepts that the purpose of the ETS needs to shift from focusing only on net emissions to ensuring gross emissions are also reduced. Offsets like forestry and other sequestration have a role to play, but we cannot offset our way out of the climate crisis.

- We will **set clear, separate targets for gross emissions reductions** and carbon dioxide removals and separate incentives for gross emissions reductions and forestry removals. The form this will take will be considered following the completion of the Review into the Emissions Trading Scheme.
- We will **amend the Climate Change Response Act 2002 to provide the Climate Change Commission with more independence in setting ETS volume and price controls.**
- We will **limit the amount of exotic carbon afforestation** caused by the ETS.
- We will develop **a clear plan to ensure sequestration complements gross emissions reductions** and there is a more diverse mix of sequestration recognised in the ETS, in the second Emissions Reduction Plan.

This work builds on our changes to the regulatory framework for consenting and managing exotic forestry. We have made changes to allow councils at local level to decide which land can be used for plantation and carbon forests through the resource consent process and we have imposed stricter controls on forest management.

Labour's policy to prioritise gross emissions reductions is one part of a suite of policies to tackle the climate emergency.

Sequestration remains crucial to achieving our goals

New Zealand's current CO₂ removal efforts are currently achieved almost entirely by the expansion of exotic forests. Carbon sequestration by exotic afforestation is relatively fast and low-cost. It makes an essential contribution to lowering net emissions and meeting New Zealand's emissions budgets. It will be crucial to achieving our Nationally Determined Contribution.

But as we drive ongoing reductions in gross emissions, New Zealand needs to expand the types of activities that sequester atmospheric CO₂.

Here is where we can harness the power of nature to help us.

Labour will prioritize nature-based solutions in policy, planning design and decision-making for carbon sequestration and climate change adaptation. This would include restoring wetlands and coastal ecosystems (eg, peatlands, saltmarshes and mangrove swamps) to sequester carbon and provide natural defences against flooding, drought and sea level rise, and restoring and planting native forests in upper catchments to sequester carbon, reduce flooding and sediment flow into downstream rivers and estuaries and improve habitats.

- We will **expand the ETS removal categories to include peatland and wetland restoration** to sequester carbon, and boost our natural defences against flooding, drought, and sea-level rise.

- We will **explore the Recloaking Papatūānuku initiative**, which aims to restore the mauri of our ngāhere and reforest or restore an initial 2.1 million hectares of indigenous forest in the next 10 years, and ultimately 5.5 million hectares, over public and private land by:
 - » **Removing the regulatory barriers** to this initiative, including by developing a regulatory framework for Voluntary Carbon Markets.
 - » **Reforming the ETS carbon stocks look-up tables** to accurately recognise and account for the carbon sequestration potential across indigenous forests.
 - » Establishing a comprehensive programme to **plant, protect and restore indigenous forests on suitable Department of Conservation land**, with a focus on native forests in upper catchments to sequester carbon, reduce flooding and sediment flow into downstream rivers and estuaries, and improve habitats. Labour will invest \$30m from the Climate Emergency Response Fund to support this initiative.
- We will **examine whether a Biodiversity Trading Market** is able to be developed where the Crown conducts a reverse auction for sequestration capacity that landowners bid in on, and continue to develop biodiversity credits to enable individuals and companies to invest in projects that contribute to protecting, restoring and enhancing biodiversity.

Industrial emissions and carbon capture and storage

Labour is committed to retaining New Zealand manufacturing. It is a major contributor to our economy, employing 1 in 10 Kiwis with 30 percent of business expenditure directed to research and development. These are high-skill and high-wage jobs with median wages 10 percent above the national median.

From 2036 the number of free credits provided under current industrial allocation settings will exceed the ETS's cap and still be above zero in 2050. This means we need to find new ways to back our manufacturers to reduce emissions and remain competitive in the global economy.

The Labour Government planned ahead. We created the Government Investment in Decarbonising Industry Fund to help them switch sooner to low-emission options, meet export demands for lower-carbon products and services, and reduce the ongoing subsidy provided by the Government in the form of free credits through the industrial allocation.

- We will **examine alternatives to current industrial allocation settings** through the second emissions reduction plan.
- We will **develop a regulatory framework for carbon capture and storage technologies**, for capture of CO₂ both at the point of emission and from the air.
- We will **continue to partner with international organisations** like the Carbon Sequestration Leadership Forum and IEA Greenhouse Gas Research and Development Programme to ensure New Zealand keeps up with the development of this technology worldwide.

Leading by example

We know that Government needs to lead by example. That's why we launched the Carbon Neutral Government Programme to work towards carbon neutrality by 2025. Government agencies are already measuring and reducing their emissions.

So far Government agencies collectively cut their footprint by nearly 20% – equivalent to the annual emissions produced by roughly 10,000 Kiwi families. We know pandemic restrictions played a role in this and we're working to ensure Government agencies introduce policies to ensure air and car travel emissions do not return to pre-pandemic patterns, reducing emissions, saving taxpayers' money, and boosting productivity.

When we came to office, far too many of our schools and hospitals still used old, dirty, climate-polluting boilers to keep their kids and patients warm. We've taken action to improve the air our kids breathe and removed 50 coal boilers at 46 schools. Over the next term we will continue to roll out this plan.

- We will **remove all remaining coal boilers in New Zealand schools, tertiary institutions and hospitals by 2025.**
- We will **remove diesel generators from all schools.**

There are about 103 diesel boilers across state sector primary and secondary schools, emitting not only carbon dioxide but particulate matter (PM) that is harmful to human, and especially child, health. Diesel boilers also cost our schools at the expense of our kids learning. A school with a boiler size of 387kw, currently consumes up to 5,500 litres of diesel per month with an approximate cost of up to \$15,700 per month.

We are committing \$50m from the Climate Emergency Response Fund to the State Sector Decarbonization Fund to deliver on this commitment.

Government buildings are big emitters and improved design, better waste management, improved water and energy efficiency, and the use of low carbon materials can make a big difference to our emissions. From April this year all new non-residential governments buildings with a capital value over \$9 million must meet a minimum Green Star rating of five. Since January 2021 all agencies have been required to implement an energy efficiency building rating standard where they occupy government offices larger than 2000 square metres.

- We will continue to roll out our plan for a carbon neutral public sector.



Climate Adaptation and Recovery from Natural Disasters

The destructive impacts of climate change are being felt now.

Climate change will result in more intense weather patterns bringing more frequent periods of heavy rain, high winds, and droughts.

NIWA modelling predicts coastal areas will be affected by rising sea levels and storm surges. Flood plains will be inundated more frequently. On steeper terrain, landslides will become more common. Each 10cm of sea level rise puts at risk an additional 7000 buildings, 133 kms of roads and 10 kms of rail. With a half metre rise in sea levels, around 36,000 buildings, 350 sq kms of land and close to 50,000 people are put at risk of flooding.

While the past three years have tested New Zealanders in ways we have not seen for many decades, New Zealanders have proven to be resilient, innovative, and highly adaptable. With proactive planning, clear information, and a shared sense of purpose we can build a more resilient and secure country.

Greater climate resilience

Labour will put in place effective and fair measures for adaptation, and where necessary, carefully managed retreat.

This includes **developing and legislating a new Climate Adaptation Framework next term**, which will develop new processes for managed retreat and long-term sustainable funding sources to build resilience against more frequent and intense weather events, building on the findings of the Parliamentary Select Committee examining options for community-led retreat and adaptation funding..

Labour is committed to a just transition for those adversely affected by this process, including opportunity and fairness to all, the principles of Te Tiriti o Waitangi, and maintaining a healthy and sustainable environment.

In addition, to supporting climate adaptation and resilience we will ensure that future policy and planning will address the effects of climate change.

- We will **use the Climate Emergency Response Fund to invest in climate adaptation** initiatives, so polluters pay to mitigate the impacts of climate change, rather than funding tax cuts for property speculators.
- We will **implement the National Adaptation Plan** to integrate resilience planning into the asset management cycle and set resilience standards, and to support New Zealanders to adapt, live and thrive in a more damaging climate.
- We will **legislate a Climate Adaptation Bill** to set out a clear process for managed retreat from areas most susceptible to climate change.

- We will continue to **implement the Infrastructure Action Plan**, which confirms the Government's commitment to the transformation required to create the efficient, equitable, resilient and sustainable infrastructure system New Zealanders need now and into the future.
- We will **use Crown infrastructure delivery agency Rau Paenga** (formerly Ōtākaro Ltd) to support government agencies to get large, complex projects done efficiently and effectively.
- We will ensure that future policy and planning (including through Natural and Built Environment Act processes) will address the effects of climate change, including by:
 - » better stormwater management
 - » urban areas being designed with more permeable surfaces and specialised green spaces that can absorb runoff
 - » limiting new development in at-risk areas and increasing development in high-quality, low risk locations.
 - » improving national direction for managed retreat from at-risk river valleys, flood plains and coastal areas.
 - » improving practices for industrial activities that worsen the effects of weather events.
- We will **crack down on unsustainable forestry management practices** by progressing work to respond to the Ministerial Inquiry into Land Use causing woody debris and sediment-related damage.

Responding to recent severe weather events

Earlier this year, the North Island witnessed some of the most damaging extreme weather in recorded history.

Nelson floods, Cyclone Hale, Cyclone Gabrielle and the Auckland Anniversary Weekend Floods upended communities and brought home that the impacts of climate change are becoming both more severe and more frequent.

Since these events, Labour has supported the recovery and rebuild of those regions affected by the extreme weather.

We've helped to house people whose houses are no longer safe, rebuilt roads and railways to reconnect people, and assisted Kiwis who've lost everything to get back on their feet through direct financial support.

We've worked with communities, businesses, sector leaders, and our Cyclone Recovery Taskforce to deliver support for Kiwis.

National Resilience Plan

The extreme weather events earlier this year have added an urgency to our infrastructure investment planning and have highlighted the importance of building strong and resilient infrastructure that can withstand the impacts of climate change.

Labour will continue to progress the National Resilience Plan, to focus on building back better from recent extreme weather events and improving infrastructure to better protect New Zealanders from such future events.

So far, the NRP has made significant investments to support:

- The locally led voluntary buyout of properties severely damaged by the extreme weather.
- Targeted investments in to accelerate regional resilience including upgrades to local roads, stopbanks, and other flood protection projects.
- Over \$1 billion in restoring connectivity across our state highway and rail networks, including across severely affected highways such as State Highways 2 (Napier to Gisborne), 5 (Napier to Taupō), 25A (Thames-Coromandel), and 35 (Tairāwhiti).

The severe weather events of this year have highlighted how crucial it is to invest in early preventative works to protect our communities.

- We will **work with Councils and invest in regional resilience including upgrades to local roads, stop banks, and other flood protection projects,**
- We will **invest in digital connectivity resilience** to ensure that communities remain connected to the Internet and telecommunications services during emergencies.
- We will **build electricity transmission resilience** to ensure that power networks are able to keep servicing people despite the extreme weather. Our incentives to adopt **roof-top solar will support households to maintain electricity in extreme weather events.**
- We will **work with Councils in places like Marlborough and South Dunedin** with particular resilience challenges to develop and implement plans to manage them.
- The new **Minister for Just Transitions will work to make sure that the cost and benefits of these changes are delivered equitably** and that the opportunities created by this building programme are used to deliver training, education, and employment opportunities across New Zealand.
- We will **require infrastructure providers to design and adapt their infrastructure** to withstand extreme weather events, including electricity and communication networks and our transport links through Waka Kotahi and KiwiRail.
- We will **ensure advice on infrastructure is integrated with our long-term adaptation plans.**

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