

# Property Council New Zealand

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**Submission on the Climate Change Commission's draft advice (to inform the strategic direction of the Government's second emissions reduction plan).**

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**For more information and further queries, please contact**

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## **Submission on the Climate Change Commission’s draft advice (to inform the strategic direction of the Government’s second emissions reduction plan).**

### **1. Recommendations**

1.1 Property Council New Zealand (“Property Council”) welcomes the opportunity to provide feedback on the Climate Commission’s draft advice to Government which will inform the second emissions reduction plan. Overall, we support the messaging within the Built Environment chapter and make the following recommendations to Government:

- Take a leadership role within the building and construction space to work closely with the sector to develop and provide incentives to shift behavioural changes;
- Establish an educational and information sharing group to create consistency, and allow for better understanding of the market;
- Create a database to ensure we have an accurate understanding of New Zealand buildings performance and how we can best build on this. This in turn will help drive behavioural change; and
- Introduce targeted support for retrofitting existing fossil gas infrastructure in residential and non-residential properties.

### **2. Introduction**

2.1. Property Council is the leading not-for-profit advocate for New Zealand’s most significant industry, property. Our organisational purpose is, “Together, shaping cities where communities thrive”.

2.2. The property sector shapes New Zealand’s social, economic and environmental fabric. Property Council advocates for the creation and retention of a well-designed, functional and sustainable built environment, in order to contribute to the overall prosperity and well-being of New Zealand. We aim to enable opportunities to build sustainable and resilient communities, capable of meeting future needs.

2.3. Property Council is the collective voice of the property industry. We connect over 10,000 property professionals and represent the interests of over 550 members organisations across the private, public and charitable sectors.

2.4. This document provides Property Council’s feedback on the Climate Change Commission’s [draft advice to inform the strategic direction of the Government’s second emissions reduction plan](#). Comments and recommendations are provided on issues relevant to Property Council’s members.

### **3. General Comments**

3.1. Property Council is a strong supporter of Government investment in the sector to investigate ways to lower building emissions across the entire process; (e.g. design, planning, construction, and deconstruction). It is important that a whole-system approach to reduction of emissions is considered, and trade-offs are made for better sustainability outcomes, rather than an over-focus on legislative changes with too much red tape.

3.2. Our comments primarily focus on the Built Environment chapter on the Climate Change Commission's draft advice.

#### **4. Urban form**

4.1. High density urban development reduces emissions from urban form if density is in the right places. We are supportive of the approach to increase density, particularly when density occurs in proximity to city centres, town centres or near key transport nodes, as this will help encourage future intensification and reduce transport related emissions.

##### *Funding and Financing*

4.2. Financing of infrastructure, particularly at the local government level, has historically been a significant challenge and it is important that we do not rely on central and local government funding mechanisms when creating new urban form and improving existing urban form. Property Council strongly advocates for alternative transparent funding mechanisms such as public-private partnerships and special purpose vehicles. Last year, Property Council began investigating value capture as an alternative means to fund infrastructure and is interested to see whether the Government will explore this further.

4.3. Overall, we support an integrated planning system that will upgrade existing infrastructure to support intensification and plan for future growth areas while incrementally reducing climate risks. This includes the development of more climate-adaptable infrastructure, which can withstand the challenges posed by changing climatic conditions and incorporate resilient design principles.

#### **5. Consenting**

5.1. It is no secret that the building consent system cannot keep up with demand for consents. We are seeing issues throughout the process, with delays occurring at the resource consent stage as well as the building consent stage.

5.2. Property Council has long advocated for Government to change current risk and liability settings, as innovation and low carbon products will continue to have barriers in entering the New Zealand market. We continue to recommend that Government cap council liability at 20 per cent and introduce a fairer allocation of risk and responsibility across the sector.

#### **6. Greater incentives are required to encourage uptake of low emissions options**

6.1. As per our submission on the first emissions reduction plan, it is up to industry, central and local Government to ensure that good urban design is achieved, whilst also being designed and built to be environmentally friendly.

6.2. In order to accelerate change, greater incentives are needed. For example, providing tax reductions for retrofit strengthening and making subsidies available to local government rates for high performing buildings. One example that has encouraged change is utilising rating tools/frameworks. Consequently, the achievement of a Green Star rating (through the decreased use of embodied carbon in the design and development of a new building or retrofit of an existing building) has arguably created behavioural change across the sector.

6.3. Additionally, greater incentives are required around seismic strengthening of buildings. New Zealand's seismic strengthening rules and regulations can sometimes directly compete with

New Zealand's zero carbon goals. For example, when the choice between either refurbishment to get up to code or building new is presented, regulatory and policy framework strongly favours building new over environmental goals. Greater incentives are required such as tax incentives, rating subsidies and additional green star points for refurbishment would help.

- 6.4. We also encourage Government to explore making smaller moves within the new-build residential market, which could result in bigger impacts, given that New Zealand's residential market is two to three times the size of the commercial market. For example, incentivising installation of solar panels and water retention for new builds, making Homestar ratings mandatory on LIM reports and providing alternatives to gas. These proposals will help incentivise behaviour changes within the residential market of New Zealand.

#### *Education*

- 6.5. Education is often a barrier to the uptake of low emissions options. Creating more awareness to promote the use of environmentally friendly products and approaches can be achieved by a public sharing platform/forum. This will not only educate but create consistency between businesses and allow for better understanding of the market. As part of our feedback last year, we recommended that the Government establish educational and information sharing groups. Establishing a similar group to Materials and Embodied Carbon Leaders' Alliance (MECLA) which brings together organisations to drive reductions in embodied carbon in the building and construction industry, is crucial to help shift behaviour and seeing change in New Zealand.

#### 6.6. **Data access**

- 6.7. Data collection is important to ensure we have an accurate understanding of our buildings' performance and how we can best improve. The main problem that the property sector, and thus Government face, is the absence of data.
- 6.8. An increase in the metrics and data on building performance will allow for a starting point, enabling better comparisons for proposed reductions. We believe that accurate data, will lead to the funding of further research and implementation of new materials and ways to reduce emissions, which in turn leads to behavioural change.
- 6.9. Allowing data to be made public at the point of sale, is a simple and practical way that we can bridge our data gap. Once a wide data base is established, and along with the use of incentives, the appropriate targets can be put in place to achieve the Plan's emissions budgets.

#### *Targeted support for retrofitting existing fossil gas infrastructure in residential and non-residential properties*

- 6.10. In the past, Property Council has advocated for the phasing out of fossil gas in the energy system and supported reducing fossil fuel use in buildings. Targeted support for both residential and non-residential properties, especially in existing buildings, will be beneficial, given the cost and time to retrofit.

### **7. Increased use of timber products in buildings can reduce embodied carbon emissions**

- 7.1. New Zealand will continue to rely on crucial material such as concrete and reinforced steel in the construction of both commercial, industrial, and residential buildings, unless the sector has better access to low carbon alternatives. We support the increased use of engineered wood products in the market, including timber, as these are lower in embodied carbon.

## 8. Conclusion

- 8.1. Property Council is grateful for the opportunity to provide feedback on the Climate Change Commission's draft advice (to inform the strategic direction of the Government's second emissions reduction plan).
- 8.2. We make similar recommendations to our submission on the first emissions reduction plan and urge the Government take into consideration the importance of incentives, the availability of alternative products and more support to businesses to encourage energy efficiency for existing buildings.
- 8.3. We wish to speak to our submission. For any further enquires do not hesitate to contact Sandamali Ambepitiya, Advocacy Advisor, via email: [sandamali@propertynz.co.nz](mailto:sandamali@propertynz.co.nz) or cell: 021 045 9871.

Yours Sincerely,



Leonie Freeman  
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Property Council New Zealand