



27 June 2022

Chair of the Environment Select Committee

Committee Secretariat

Environment Committee

Wellington

[en@parliament.govt.nz](mailto:en@parliament.govt.nz)

Dear Committee,

We are writing to express Business Central's support of the BusinessNZ Energy Council's submission on the Draft Emissions Budgets. Business Central is a business membership organisation, representing over 3,600 members in the central New Zealand region (Gisborne to Taranaki, down to Nelson and including Wellington).

Business Central supports the shift to a carbon-neutral New Zealand and recognises the global significance of the climate crisis. It is the innovation, creativity, and adaptability of our members that has driven New Zealand's emissions reductions so far, and will continue to do so into the future.

The work of the Emissions Reduction Plan to enable these changes, and we thank you – both for your efforts to address climate change, and for the opportunity to submit on this plan.

To achieve the Government's aim of a high-wage low emission economy, we must balance carbon reduction with economic growth through the most efficient reductions possible. While it is easy to brand any policy as "addressing climate change" only through a clear analysis of cost-benefits can we grasp the policies that make a difference to our carbon emissions.

Our best tool against the climate crisis remains carbon pricing. This lets businesses decide how best to reduce emissions – with full knowledge of the nuances of their operations. Carbon prices also incentivise innovation in carbon reduction technologies – from soil sequestration, to capture and storage, to an expanded forestry industry. We endorse BEC's modelling that shows carbon pricing as the most efficient means of reducing emissions.

Beyond carbon pricing, investment into the research and development of new technologies is vital – R&D funding is a public good, that encourages investment that would not otherwise take place, and helps develop technologies to improve our productivity as we reduce emissions.

Finally, engagement with business is vital to getting this right. Because business owners know their business better than anyone else, they know how where, and how to reduce carbon best. From our own experience, we have partnered with the Wellington City Council to deliver carbon reduction courses to Wellington-based businesses and hope to expand this programme further. We encourage further co-ordination between government, industry bodies, and business, to develop efficient emissions reduction.

We look forward to further engagement on the Plan.

Ngā mihi,

The Business Central Advocacy Team