

The Aluminium Extruders Association of New Zealand thank the Climate Change Commission for the opportunity to provide this submission , in response to the 2021 Draft Advice for Consultation.

Consultation questions

Are you here to tell us your one big thing?

If you're here because you have one big thing to tell us, you can do that here. If this is all you want to provide by way of your submission, that's fine by us. We will consider all the submissions we receive.

Your one big thing:

The “tragedy of the commons” must be avoided.

“The tragedy of the commons describes a situation in economic science when individual users, who have open access to a resource unhampered by shared social structures or formal rules that govern access and use, act independently according to their own self-interest and, contrary to the common good of all users, cause depletion of the resource through their uncoordinated action.”¹

All New Zealand’s trading partners need to do the right thing and similarly commit to equivalent programmes of action to ensure global warming does not achieve 2 degrees.

The Aluminium Extruders Association of New Zealand (ALENZ) are committed to addressing the impacts of Climate Change. Our members source their primary aluminium from low carbon smelters, principally NZAS at Tiwai Point, whose carbon footprint is 3.8kgCO₂/kgAL². This compares to a footprint of more than 15kgCO₂/kgAL³ from over 80% of the global aluminium production.

However New Zealand manufacturers continue to be placed at a disadvantage when competing internationally and our current free trade policies do not support fair trade for local manufacturers.

New Zealand manufacturers are taking a lead doing the right thing. Where is the action to ensure our manufacturing base is not eroded by our negligent trading partners?

¹ https://en.wikipedia.org/wiki/Tragedy_of_the_commons

² NZAS https://www.nzas.co.nz/files/1868_20170621134342-1498009422.pdf

³ <https://www.carbontrust.com/resources/the-case-for-low-carbon-primary-aluminium-labelling>

Our six big issues

Our six big issues - the pace of change

Big issues question 1. Do you agree that the emissions budgets we have proposed would put Aotearoa on course to meet the 2050 emissions targets?

Strongly agree - Agree - Neutral - Disagree - Strongly disagree - Do not know Please

The Aluminium Extruders Association (ALENZ) agree that the emission budgets proposed by the Climate Change Commission should put Aotearoa on course to meet the 2050 budgets, conditional that the modelling/assumptions are correct and are supported by robust science.

Our six big issues - future generations

Big issues question 2. Do you agree we have struck a fair balance between requiring the current generation to take action, and leaving future generations to do more work to meet the 2050 target and beyond?

Strongly agree - Agree - Neutral - Disagree - Strongly disagree - Do not know Please

The Aluminium Extruders Association believes that the Climate Change Commission has struck a fair balance.

The role of communication /awareness raising is critical and government agencies need to be directed to work collaboratively in their messaging focusing on all age / ethnic groups across diverse channels, with a particular focus on engaging youth, listening to and acting on their concerns.

Our six big issues - our contribution

Big issues 3. Do you agree with the changes we have suggested to make the NDC compatible with the 1.5°C goal?

Strongly agree - Agree - Neutral - Disagree (our changes are too ambitious)- Disagree (our changes are not ambitious enough) - Do not know

The Aluminium Extruders Association strongly agrees, with the proviso, that firstly we follow the science and secondly if circumstances arise beyond New Zealand's control and our ability to abate domestically, (e.g. a significant exotic plantation forest fire), then New Zealand is able to offset those unforeseen emissions with reliable off shore mitigation, at a reasonable price.

Our six big issues - role and type of forests

Big issues 4. Do you agree with our approach to meet the 2050 target that prioritises growing new native forests to provide a long-term store of carbon?

Strongly agree - Agree - Neutral - Disagree - Strongly disagree - Do not know

The Aluminium Extruders Association agrees, with the proviso, that new native forest plantings must not result in significant land use change, which in turn impacts upon our rural communities – for example replacing arable farming to plant native forests. We would also encourage the Climate Commission to explore the role that restoring wetlands and maintaining carbon embodied in soil (particularly under our plantation forests) can contribute to New Zealand's long term carbon store.

The Climate Change Commission's advice needs to direct government agencies to support existing rural communities.

SME's located in rural communities, will require additional support during the transition.

Our six big issues - policy priorities to reduce emissions

Big issues 5. What are the most urgent policy interventions needed to help meet our emissions budgets? (Select all that apply)

Action to address barriers - Pricing to influence investments and choices - Investment to spur innovation and system transformation - None of them

The Aluminium Extruders Association acknowledges that New Zealand needs a broad range of policy interventions and incentives to successfully reduce our emissions. We encourage the Climate Change Commission to direct government to place priority on getting alignment and consistency across government agencies. Maintaining affordable electricity pricing will be critical to enabling a fair transition across all budget periods.

Our six big issues - technology and behaviour change

Big issues 6. Do you think our proposed emissions budgets and path to 2035 are both ambitious and achievable considering the potential for future behaviour and technology changes in the next 15 years?

Strongly agree - Agree - Neutral - Disagree - Strongly disagree - Do not know

The Aluminium Extruders Association agrees that the budgets and path to 2035 are ambitious and achievable.

The potential reduction in GHG emissions in a transition from a linear to circular economy for New Zealand does not appear to be factored into the Climate Change Commission's budgets and pathway. We encourage the Climate Change Commission to investigate and direct government agencies to partner with industry sectors to realise this significant opportunity to not only reduce GHG emissions but to reduce raw material extractions.

Detailed questions on our advice

The next set of questions are about the recommendations in our draft Advice report.

In total, there are 24 consultation questions, grouped as follows:

Our approach and emissions budgets

- Our approach – the principles we used for our analysis (one question)
- Emissions budgets numbers – including the levels and breakdown by gas (three questions)

Our enabling recommendations

- Our advice on what we need to enable an enduring climate transition (five questions)

Our path to 2035

- Locking in net zero (two questions)
- The path to meeting the budgets (one question)
- An equitable, inclusive and well-planned transition (one question)

The direction of policy in the Government's emissions reduction plan

- Our advice on the actions required for each sector (one question per sector):

Transport

Heat, Industry, Power

Agriculture

Forestry

Waste

- Our advice on a multi-sector strategy (one question)
- Our advice on the rules for measuring progress (one question)

Advice on the Nationally Determined Contribution (NDC) and potential reductions in biogenic methane

- Our advice on the NDC (three questions)
- Our advice on potential reductions in biogenic methane (one question)

1. How we developed our advice

Consultation question

1. Do you support the principles we have used to guide our analysis?

Fully support - **Partially support** - Neutral - Do not support - Do not know

The Aluminium Extruders Association partially supports the principles developed by the Climate Change Commission to guide its advice on the transition to a thriving, climate resilient Aotearoa.

Partial support arises from our concerns with respect to the following and we would ask the Climate Change Commission to consider:

- **Principle 2: Decarbonising the economy**

The Aluminium Extruders support prioritising actions to reduce emissions in New Zealand and growing the sequestering of carbon in native forests.

We would encourage the Climate Change Commission to look further at the carbon embodied in our soil beneath plantation forests⁴, the opportunity wetlands provide for carbon sequestration, and the additional benefit wetlands provide in protection of coastal communities⁵ threatened by the impacts of climate change.

- **Principle 3: Create options**

The Climate Change Commission's transition pathway relies heavily on electricity and acknowledges the uncertainty surrounding what is ahead for New Zealand to achieve its goal. We make the following comments to build resilience in energy transition, minimising uncertainty and to accelerate the trajectory.

To have certainty in achieving emissions budgets New Zealand needs other zero carbon energy pathways, in addition to electricity. Hydrogen is emerging as a viable energy source in both transport, industry heat and power applications and we suggest that the Climate Change Commission extends its advice to include hydrogen.

Transitioning from a *take, make, waste economic model* to a circular economy has the potential to significantly reduce New Zealand's GHG emissions faster than current budgets.

We encourage the Commission to be bold in directing government to work in partnership with industry sectors to create additional options/alternative pathways supported by a mix of incentives and regulations. When faced with significant challenges business responds positively to partnership to develop innovative solutions.

- **Principle 5: Transition in an equitable and inclusive way**

Fair transition is crucial for business and households.

Achieving the budgeted transition will be reliant on maintaining current energy pricing.

⁴ <https://www.fs.usda.gov/ccrc/topics/forest-soil-carbon>

⁵ <https://www.sciencedaily.com/releases/2017/02/170201092705.htm>

2. Emissions budgets numbers

Consultation question

2. Do you support budget recommendation 1? Is there anything we should change and why?

	Too ambitious	About right	Not enough	ambitious	Don't know
Emissions budget 1 (2022 – 2025)		√			
Emissions budget 2 (2026-2030)		√			
Emissions budget 3 (2031-2035)		√			

3. Breakdown of emissions budgets

Consultation question

3. Do you support our proposed break down of emissions budgets between gross long-lived gases, biogenic methane and carbon removals from forestry? Is there anything we should change, and why?

	Too ambitious	About right	Not enough	ambitious	Don't know
Gross long-lived gases		√			
Biogenic methane		√			
Forestry		√			

The Aluminium Extruders Association supports the breakdown of long lived gases, biogenic methane and carbon removals from forestry.

The Aluminium Extruders Association acknowledges that while the science is clear with respect to increased global temperatures the detailed data is still emerging with respect to embodied emissions. We would draw the Climate Change Commission’s attention to the emerging data on embodied carbon in soil and potential loss of soil carbon when exotic plantation forests are harvested – *“Of the*

five forest components, soil carbon accounts for the largest reservoir of carbon (56.4 percent of total forest carbon as of 2016), followed by aboveground biomass (27.7 percent)”⁶

4. Limit on offshore mitigation for emissions budgets and circumstances justifying its use

Consultation question

4. Do you support budget recommendation 4? Is there anything we should change, and why?

Fully support - Partially support - Neutral - Do not support - Do not know Please

The Aluminium Extruders Association believes more work needs to be done in this space to provide clarity.

The Climate Change Commission must ensure New Zealand has flexibility in addressing production emissions, as circumstances may arise in the future which are beyond New Zealand’s immediate control. We suggest that there needs to be a force majeure clause to cover unforeseen events, for example a significant forest fire might occur in an exotic plantation which creates significant unbudgeted emissions and results in significant loss of embodied carbon. New Zealand needs to be able to access reputable offshore credits to address unforeseen events if they arise.

While consumption emissions are not the Climate Change Commission’s focus, it is extremely unlikely that initiatives to address consumption emissions - i.e. emissions imported, will be able to be addressed by onshore mitigation programmes.

Enabling an enduring climate transition - intro

5. Cross-party support for emissions budget

Consultation question

5. Do you support enabling recommendation 1 on cross-party support for emissions budgets? Is there anything we should change and why?

Fully support - Partially support - Neutral - Do not support - Do not know Please

Cross party support will be critical to achieving emission budgets.

Certainty is critical for business, communities and households to commit to pathways for a zero emission economy. New Zealand cannot afford to have major policy changes with changes in the governing political parties.

The Aluminium Extruders Association suggests that not only should the Climate Change Commission recommend that the Minister for Climate Change seek cross party support but that the Climate Change Commission Chair, along with our Prime Minister directly guides/ supports the Minister for

⁶ <https://www.epa.gov/roe/carbonstorageinforests>

Climate Change in seeking cross party commitments on New Zealand's climate change trajectory that will endure the next 30 years.

Business and households need long term certainty over next three decades. Without cross party support New Zealand will not achieve the emission budgets – we are all in this together.

6. Coordinate efforts to address climate change across Government

Consultation question

6. Do you support enabling recommendation 2 on coordinating efforts to address climate change across Government? Is there anything we should change and why?

Fully support - Partially support - Neutral - Do not support - Do not know

The Aluminium Extruders Association supports Enabling recommendation 2 – detailed policies, strategies will be critical to achieving budget targets.

Developing these policies and strategies in partnership with business will enhance success. While Ministerial and agency commitment is critical, so too is a whole of government approach, aligning all agencies actions across the first three budgets and successive budget periods.

Fairness and transparency around funding is essential and specific multi agency appropriation will be critical. New Zealand needs strong alignment across government agencies, supported by adequate funding to ensure successful achievement of budgets.

Clear and urgent guidance to government agencies re detailed strategies, frameworks and tools to translate production emissions budget reduction to consumption targets to guide business and households to measure their footprints, access to best practice and benchmarking data.

This needs to happen quickly. Table 3.4: (*Production and consumption emissions options assessed in detail against the Commission's principles for emissions budget accounting*) explains the methodology production / consumption.

However, what is required urgently is guidance for business/households aligned to the pathways across **Transport, Heat, Industry and Power and Waste** to ensure the Climate Change Commission's budget production targets are translated into meaningful consumption reduction targets for business and industry and that this advice is consistent across government agencies and local government.

In summary the Climate Change Commission has detailed the top down budget production emissions. What is required are the bottom up consumption reduction targets. Failure to provide clear consistent guidance, strategies and targets will delay engagement and action.

The Aluminium Extruders Association notes that the overall path is silent on the role of our major trading partners in supporting New Zealand on our transition pathway. We noted in the "One big thing" that if our trading partners don't take action then local manufacturing will be gutted.

We encourage Climate Change Commission to direct MFAT as to their role in negotiating Free Trade agreements to ensure that the obligations placed on our trading partners are consistent with those obligations on New Zealand business and households. Refer one big opportunity

7. Genuine, active and enduring partnership with iwi/Māori

Consultation question

7. Do you support enabling recommendation 3 on creating a genuine, active and enduring partnership with iwi/Māori? Is there anything we should change and why?

Fully support - Partially support - Neutral - Do not support - Do not know Please

The Aluminium Extruders Association recognises, and fully supports, the role that iwi/Maori have in partnership with the Crown towards our migration to a low-emission economy.

8. Central and local government working in partnership

Consultation question

8. Do you support enabling recommendation 4 on central and local government working in partnership? Is there anything we should change and why?

Fully support - Partially support - Neutral - Do not support - Do not know Please

The Aluminium Extruders support Enabling recommendation 4 - Alignment across central and local government is critical to achieving a fair and just transition.

Aligning legislation and policy, empowering local government to make decisions and providing incentives. Consistency across the whole country, i.e., consistent policy / action across all territorial authorities, will be essential.

Local government owns significant infrastructure, much of which is in need of upgrading/expanding to meet current and future population needs. Central government, in partnership with local government, opens the way to a systemic approach to ownership, operation and maintenance of infrastructure. By leading emissions reduction, this will facilitate a speedier transition to a zero carbon economy.

Currently how infrastructure is funded doesn't drive a change to lower carbon outcomes. Central government needs to work with local government to resolve this and local government access to the GST from local expenditure is worthy of consideration to ensure added debt burden doesn't fall on local government / rate payers.

9. Ensuring inclusive and effective consultation, engagement and public participation

Consultation question

9. Do you support enabling recommendation 5 on establishing processes for incorporating the views of all New Zealanders? Is there anything we should change and why?

Fully support - Partially support - Neutral - Do not support - Do not know Please

The Aluminium Extruders support Enabling recommendation 5. We encourage local / central government to engage meaningfully with industry to maximise opportunities for emissions reduction and minimise risks from unintended consequences from initiatives.

In question 6 we drew attention to the need for simple, clear translation from production based emission reduction budgets which underpin New Zealand's international commitments and realistic strategies, guidelines and targets for addressing consumption emission reductions across the key target areas.

10-11. Locking in net zero

Consultation questions

10. Do you support our approach to focus on decarbonising sources of long-lived gas emissions where possible? Is there anything we should change and why?

Fully support ~~Partially support~~ Neutral - Do not support - Do not know Please

Aluminium Extruders Association supports the approach to focus on decarbonising sources of long-lived gas emissions where possible and the Climate Change Commission, in its advise to government agencies, needs to ensure that a fair and just transition is provided across early budget periods.

11. Do you support our approach to focus on growing new native forests to create a long-lived source of carbon removals? Is there anything we should change and why?

Fully support ~~Partially support~~ Neutral - Do not support - Do not know Please

The Aluminium Extruders Association partially supports the approach to focus on growing new native forests to create a long-lived source of carbon removals

While native forestry will enable much needed New Zealand offsets, we would refer the Climate Change Commission to the Aluminium Extruders Association response to Big Question 4 - that new native forest plantings must not result in detrimental land use change and the hollowing out of rural communities – for example replacing arable farming to plant native forests.

In addition, the Climate Change Commission needs to look further at the carbon embodied in our soil beneath plantation forests⁷, and the opportunity wetlands provide for carbon sequestration⁸.

12. Our path to 2035

Consultation question

12. Do you support the overall path that we have proposed to meet the first three budgets? Is there anything we should change and why?

Fully support ~~Partially support~~ Neutral - Do not support - Do not know Please

⁷ <https://www.fs.usda.gov/ccrc/topics/forest-soil-carbon>

⁸ <https://www.sciencedaily.com/releases/2017/02/170201092705.htm>

The Aluminium Extruders Association partially supports the overall path that we have proposed to meet the first three budgets.

ROAD TRANSPORT

Strongly support EV uptake light vehicle /servicing transport and the phasing out of ICE vehicles in third budget period.

The widespread adoption of aluminium in car bodies has enabled a 40% weight reduction in weight of car bodies⁹. Similarly the adoption of aluminium in heavy road transport trailers enables the reduction in weight of truck trailers by up to 2,000kgs resulting in considerable emission savings¹⁰.

The Aluminium Extruders draws the Commission's attention to our response to Question 1 and particularly the lack of options in its advice which is electricity centric. Hydrogen is another realistic pathway for road transport, the technology is available globally now and may prove a more efficient option for medium and heavy transport.

REDUCING TRAVEL DEMAND

Partially support and suggest that the Commission needs reference beyond Wellington and Auckland CBDs. For example it is extremely unlikely that shift workers across South Auckland (and in other manufacturing centres) will be able to walk, cycle or access public transport for work. It is also unlikely that in early budget periods that low / middle income shift workers will be able to afford to purchase EV's

NON ROAD TRANSPORT

Fully support pathway and encourage the Commission to bring forward electrification of passenger ferries to budget 1.

The Aluminium Extruders Association notes that domestic air travel is omitted from table 3.1 and from the report. We would encourage the Commission to include future pathways for the electrification of regional air services as the technology is currently being trialled in New Zealand.

BUILDINGS

Partially support the pathway. Targets for improved thermal performance of our buildings need to be accelerated. New Zealand has had the technology for over a decade and reform of the relevant Building Code Clause H1 seriously lags behind international best practice, resulting in higher than necessary energy use and significantly impacts the health of lower socio economic households.

In particular we would draw the Commission's attention to recently published research in BUILD magazine¹¹ which demonstrates that New Zealand needs to prioritise the retrofitting and refurbishment of our existing homes, where

⁹ <https://transport.world-aluminium.org/modes/automotive/>

¹⁰ <https://transport.world-aluminium.org/modes/trucks/>

¹¹ <https://www.buildmagazine.org.nz/articles/show/carbon-budget-for-nz-housing>

operational energy use is the largest contributor of the total carbon footprint of the residential buildings (59%), followed by the product stage (16%), i.e. the materials and products used in construction of the buildings

ELECTRICITY

The Climate Change Commission's analysis suggests that overall household electricity bills are unlikely to increase and *that emissions budgets are unlikely to change regional electricity prices*¹².

The transition to solely electric energy will require significant investment in transmission upgrades and in new generation capacity. How has this been factored into Commission's advice.

The Aluminium Extruders Association notes that a fair and just transition for households and business relies on electricity costs remaining at current pricing levels.

The Commission assumes that New Zealand Aluminium Smelters (NZAS) will close gradually by 2026, freeing up electricity to meet growing demands of decarbonising New Zealand's economy. The NZAS business produces some of the purist and lowest embodied carbon aluminium currently available¹³ with an estimated footprint of 3.8kg CO₂ / kg AL.

The closing down of this production facility frees up approximately 13% of New Zealand's electricity capacity, ends 1,00 jobs (767 FTE's and 225 contractors) and an estimated \$595m contribution to the New Zealand economy.¹⁴

Closure of the NZAS smelter will likely result in an increase in global emissions from aluminium smelting. The global average for refined aluminium (scope 1&2 emissions) is 11.5kgCO₂ per refined kg¹⁵ and from coal fired energy over 20kgCO₂.

INDUSTRIAL PROCESS HEAT

The Aluminium Extruders Association supports the phase out of fossil base load generation and the replacing of coal with biomass and electricity.

¹² <https://ccc-production-media.s3.ap-southeast-2.amazonaws.com/public/evidence/advice-report-DRAFT-1ST-FEB/ADVICE/CCC-ADVICE-TO-GOVT-31-JAN-2021-pdf>P81, 82

¹³ NZAS vhttps://www.nzas.co.nz/files/1868_20170621134342-1498009422.pdf

¹⁴ https://www.nzas.co.nz/files/3416_20200715130107-1594774867.pdf

¹⁵ <https://www.omegawindows.co.nz/assets/Brochures/Residential-Thermal-Catalogue-Dec-2020.pdf>

13. An equitable, inclusive and well-planned climate transition

Consultation question

13. Do you support the package of recommendations and actions we have proposed to increase the likelihood of an equitable, inclusive and well-planned climate transition? Is there anything we should change, and why?

Fully support - Partially support - Neutral - Do not support - Do not know Please

The Aluminium Extruders Association fully supports an equitable, inclusive and well-planned climate transition, which is contingent upon electricity prices remaining at current levels. However we believe there are gaps in the Commission's advice and Emissions Leakage needs to be addressed as part of this package of advice.

For the building and construction sector this will require significant upskilling across design, engineering and trades.

Support for SMEs will be critical as they generally lack specific skills to manage complex issues while focused on managing their businesses day to day.

With respect to an equitable, well planned transition for the use of aluminium across the transport, building & construction and packaging sectors the Aluminium Extruders Associations provides the following on emerging technologies which enable carbon free aluminium refining:

The NZAS has one of the lowest carbon footprints, (refer Question 12 above).

NZAS's majority shareholder Rio Tinto has partnered with Alcoa in developing ELYSIS™ technology eliminates all direct greenhouse gas (GHG) emissions from the aluminium smelting process and is the first technology ever that emits oxygen as its by-product.¹⁶

As of January 2021 Rio Tinto supplied aluminium to Anheuser-Busch (from its ELYSIS joint venture) with the worlds first carbon free aluminium beer cans¹⁷.

Emissions leakage

The Climate Change Commission report identifies emissions leakage¹⁸, with imported product substituted for locally manufactured goods, and the risk of production and investment moving out of New Zealand. The Commission provides no guidance to government to address Emission leakage.

¹⁶ <https://www.elysis.com/en/what-is-elysis>

¹⁷ <https://aluminiumtoday.com/news/michelob-ultra-pilots-worlds-first-cans-made-with-aluminium-from-new-zero-carbon-technology>

¹⁸ <https://ccc-production-media.s3.ap-southeast-2.amazonaws.com/public/evidence/advice-report-DRAFT-1ST-FEB/ADVICE/CCC-ADVICE-TO-GOVT-31-JAN-2021-pdf> p92

It is imperative for the Climate Change Commission to direct government to address Emissions leakage now.

Emissions leakage cannot be left for the first three budget periods. Failure to do so will see the irretrievable loss of high value jobs, local production and supply resilience for local construction, infrastructure and manufacturing.

The EU have recognised the need to move quickly to address emissions leakage and as of 5 February 2021 have voted to adopt a carbon border adjustment mechanism which will place *“a carbon price on imports of certain goods from outside the EU, if these countries are not ambitious enough about climate change”*¹⁹.

The Climate Change Commission draft report focus is on production based GHG emissions, but New Zealand also needs to address consumption emissions, particularly with respect to emissions imported.

Failure to address emissions leakage will result in New Zealand importing emissions, which may be significantly greater than New Zealand sourced materials – e.g. residential aluminium windows from New Zealand produced extrusions or from Asian suppliers with significantly higher embodied emissions, lower environmental regulations and unknown health and safety regulations governing workforce.

14. Transport

Consultation question

14. Do you support the package of recommendations and actions for the transport sector? Is there anything we should change and why?

Support all the actions - Support some of the action - Do not support these actions - Do not know
Neutral

Please explain your answer (1000 word limit)

Proposed solutions to transition light vehicle network must be economically and environmentally sustainable.

Accelerating light vehicle network / uptake of EVs will require incentives to reduce vehicle age and to support low and medium income families to transition.

Is the Climate Change Commission confident that New Zealand will have systems to recycle, reuse, repurpose EV / battery waste?

As pointed out in question 12, aluminium is a significant enabler in reducing transport emissions by reducing the weight of trailers / truck bodies. For example, from 2015 Ford released the all-aluminium bodied F150 reducing the vehicle weight by 15% - the equivalent to 317kgs of weight, significantly improving fuel efficiency²⁰.

¹⁹ <https://www.europarl.europa.eu/news/en/press-room/20210201IPR96812/carbon-levy-on-eu-imports-needed-to-raise-global-climate-ambition>

²⁰ <https://www.mlive.com/auto/2014/07/2015-f-150-fords-aluminum-pic.html>

15. Heat, industry and power

Consultation question

15. Do you support the package of recommendations and actions for the heat, industry and power sectors? Is there anything we should change and why?

Support all the actions - Support some of the actions - Do not support these actions - Do not know - Neutral

In principle, the Aluminium Extruders Association supports some of the recommendations / actions.

Energy prices need to stay at a level that ensures a just transition.

Government needs to be proactive and address actively carbon leakage before it happens.

16. Agriculture

Consultation question

16. Do you support the package of recommendations and actions for the agriculture sector? Is there anything we should change and why?

Support all the actions - Support some of the actions - Do not support these actions - Do not know - Neutral

17. Forestry

Consultation question

17. Do you support the package of recommendations and actions for the forestry sector? Is there anything we should change and why?

Support all the actions - Support some of the actions - Do not support these actions - Do not know - Neutral

18. Waste

Consultation question

18. Do you support the package of recommendations and actions for the waste sector? Is there anything we should change and why?

Support all the actions - Support some of the actions - Do not support these actions - Do not know - Neutral

New Zealand's Aluminium sector already has a commercially successful model which manages the product stewardship for aluminum scrap.

Very little aluminium finds its way to landfill at the end of life because scrap aluminium has significant value.

From an extrusion production process, scrap material from production is either

Returned by rail to NZAS at Tiwai Point smelter, where the scrap is used post refining to cool molten metal, reducing energy use as a result. Or

Shipped to McKechnie Aluminium who have the sole aluminium remelt facility in New Zealand²¹.

McKechnie use the recycled aluminium in their Omega windows range which has a carbon footprint of 1.21kgCO₂ per kg AL²².

The thermal performance of most of the older ranges of single glazed aluminium windows can be upgraded to double glazed units, using existing window hardware.

Aluminium windows and doors have a long life and are frequently to be found in building recyclers.

Aluminium at end of life aluminium can be infinitely recycled and New Zealand has a commercially successful scrap recycling system, including an aluminium remelt facility in at McKechnie's in New Plymouth.

Transition to a circular economy will accelerate New Zealand's pathway to emissions reduction

The Aluminium Extruders Association recommends that the Climate Change Commission looks more closely at the significant opportunity for GHG emission reductions through the adoption of circular economy principals and practice.

The Circularity Gap report 2020 identifies that the world is only 8.6% circular 2320.

The report identifies that 70% of GHG's result from materials handling and use and identifies enormous opportunities in transitioning to a circular economy – *“through smart strategies and reduced material consumption, we find that the circular economy has the power to shrink global GHG emissions by 39% and cut virgin forest use by 28%”*²⁴

Given the scale of the challenge and the potential value which can be delivered through a circular economy the Aluminium Extruders Association encourages the Commission to direct government to focus on the circular economy opportunity.

²¹ Source: conversation with NZ Aluminium extruders

²² <https://www.omegawindows.co.nz>

²³ <https://circularity-gap.world/2020>

²⁴ Ibid page 8.

19. Multi-sector strategy

Consultation question

19. Do you support the package of recommendations and actions to create a multisector strategy, and is there anything we should change?

Support all the actions - Support some of the actions - Do not support these actions - Do not know - Neutral

The Aluminium Extruders Association supports the package of recommendations and actions to create a multisector strategy.

Specifically we would expect advice to government to

- develop / deliver industry engagement strategy transition delivered in partnership utilising industry experience and skills to realise the opportunities
- deliver, consistent across all government agencies a package of the bottom up consumption reduction targets which enable industry and households to get on the journey quickly
- get serious about behavioral change with respect to transport and energy in buildings
- lead through what they procure through Government rules of procurement, as opposed to the off shoring manufacturing to supply New Zealand's needs
- measure and set targets to increase circularity of economy by 2025
- partner with the sector to extend product stewardship schemes to wider range of products, prioritizing those products with higher emissions potential
- legislate for and funding coordinated data collection across the waste industry.

20. Rules for measuring progress

Consultation question

20. Do you agree with Budget recommendation 5 on the rules for measuring progress? Is there anything we should change any why?

Support all the actions - Support some of the actions - Do not support these actions - Do not know - Neutral

The Aluminium Extruders Association is supportive of production based approach which will enable New Zealand to achieve our Nationally Determined Contributions.

Critical to achieving these budgets will be a consistent approach across all government agencies.

21-23. Our Nationally Determined Contribution (NDC)

Consultation question

21. Do you support our assessment of the country's NDC? Do you support our NDC recommendation?

Fully support - Partially support - Neutral - Do not support (too ambitious) - Do not support (not ambitious enough) - Do not know

Aluminium Extruders Association acknowledges the CCC report indicates that current policy initiatives will not enable New Zealand to achieve our NDC's and supports the recommendation to strengthen reductions in line with the 1.5° target.

Enabling New Zealand to grow and prosper while maintaining our International competitiveness is critical not just for our members but for the thousands of people they employ across New Zealand's regions. In the Waikato region alone, over 350 people are directly employed in the Aluminium extrusion businesses²⁵.

In raising New Zealand's commitments, and ensuring that we are not set up to fail, the Aluminium Extruders Association proposes the Climate Change Commission permits off shore mitigation to reach those levels and reminds the Commission that guidance to government needs to include strong recommendations to develop transition pathways for local manufacturers rather than favour imported products where embodied carbon content is unknown.

We also propose that the Commission directs the Ministry of Foreign Affairs and Trade to ensure that in future Free Trade Agreements our trading partners commitments are strongly aligned with New Zealand's commitments.

22. Do you support our recommendations on the form of the NDC?

Support - Somewhat support - Do not support (too ambitious) - Do not support (not ambitious enough) - Do not know

23. Do you support our recommendations on reporting on and meeting the NDC? Is there anything we should change, and why?

Support - Somewhat support - Do not support (too ambitious) - Do not support (not ambitious enough) - Do not know

²⁵ <https://www.metals.org.nz/2020/08/11/new-case-study-shows-value-of-waikato-aluminium-industry/>

24. Eventual reductions in biogenic methane

Consultation question

24. Do you support our assessment of the possible required reductions in biogenic methane emissions?

Fully support our assessment - Somewhat support our assessment - Do not support our assessment
- Do not know - **Neutral**

About us



New Zealand's major aluminium extrusion companies work collaboratively, (supported by Metals NZ), on areas of common interest which include fair and free trade, non-conforming products, government procurement and sustainability.



Metals New Zealand (Metals NZ) is a membership organisation serving the needs of New Zealand's metals related industry.

Founded in 2011 it is a pan industry organisation committed to the future of metals manufacturing and the future of metals to deliver robust, resilient buildings and infrastructure, essential to support New Zealand's transition to a low carbon future.