



Productivity Commission inquiry

Low-emissions economy - Productivity Commission inquiry material 2017 - 2018

Publication type:

[Productivity Commission inquiry \(/publication-type/productivity-commission-inquiry\)](#)

Status:

Not Current

Issue date:

Tuesday, 21 May 2024

Version note:

Material on this page was migrated from the Productivity Commission website productivity.govt.nz in May 2024 after the Productivity Commission was disestablished in February 2024.

Part of:

[Productivity Commission \(2011 - 2024\) \(/information-and-services/nz-economy/productivity/productivity-commission-2011-2024\)](#)

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[The Treasury \(/author-corporate/treasury\)](#)

[New Zealand Productivity Commission \(/author-corporate/new-zealand-productivity-commission\)](#)

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The Productivity Commission completed its inquiry into transitioning to a low-emissions economy and presented its final report and recommendations to the Government in 2018.

The inquiry

This inquiry investigated the challenges of, and identified opportunities for, reducing New Zealand's emissions, in the context of an ambition to achieve net-zero emissions by 2050.

The Commission engaged with a large and diverse group interested in climate change and mitigation policy. The inquiry team completed over 120 engagement meetings (including overseas), 34 conferences/events and received 403 submissions. Modelling work was also undertaken by a consortium of Vivid Economics, Concept Consulting and Motu Economic and Public Policy Research of different transition pathways to a low-emissions economy, examining respective impacts and outcomes.

What needs to be done?

The Government needs to prioritise the following actions to achieve the above shifts at the right scale and pace:

- Establish a comprehensive and durable climate change policy framework, including separate legislated long-term targets for short- and long-lived gases; a series of successive emissions budgets; and an independent Climate Change Commission;
- Reform the New Zealand Emissions Trading Scheme and apply some form of emissions pricing to methane from agriculture and waste;
- Devote significantly more resources to low-emissions innovation and technology to account for the long timeframes involved in bringing innovative ideas to fruition.

The Productivity Commission's final report also recommended a suite of other policy reforms to help drive the transition. These include introducing emissions standards for newly registered vehicles, a feebate scheme to accelerate the uptake of EVs, and mandatory climate-related financial disclosures.

Final report & Government response

The Commission's final report was presented to the Government who announced a Climate Action Plan in August 2019. They released a response to the report, agreeing to 43 of the Commission's recommendations and agreement to do more work on 33 further recommendations.

New Zero Carbon Act

On 7 November 2019, the Climate Change Response (Zero Carbon) Amendment Bill was passed. This Act commits New Zealand to zero carbon by 2050 or sooner, sets a legally binding pathway to this target, and requires the Government to make a plan.

Timeline

- Terms of reference - 26 April 2017
 - Engagement and consultation starts
- Issues paper - 9 August 2017
 - Submissions closed - 2 October 2017
- Draft report
 - Submissions closed - 8 June 2018
- Final report - 31 August 2018
- Evaluation - November 2018
- Government response - 3 August 2019

Key documents

Final report and Government response

Government response to the New Zealand Productivity Commission Low Emissions Economy report | Ministry for the Environment (<https://environment.govt.nz/what-government-is-doing/areas-of-work/climate-change/about-new-zealands-climate-change-programme/government-response-to-the-new-zealand-productivity-commission-low-emissions-economy-report/>)

Expand the table below

Final Report: Low Emissions Economy Inquiry		
Doc. Date	Creator	Title
6 Sep 2018	New Zealand Productivity Commission	Agricultural emissions for dairy farms: the cost (/sites/default/files/2024-05/pc-inq-lee-note-on-the-cost-of-agricultural-emissions-for-farms.pdf) (PDF 78.99 KB)
1 Aug 2018	New Zealand Productivity Commission	Final report - Low-emissions economy (/sites/default/files/2024-05/pc-inq-lee-productivity-commission-low-emissions-economy-final-report-final-2.pdf) (PDF 8.56 MB)
1 Aug 2018	New Zealand Productivity Commission	A3 briefing - Final report - Low-emissions economy (/sites/default/files/2024-05/pc-inq-lee-a3-summary-low-emissions-economy.pdf) (PDF 190.9 KB)
1 Aug 2018	New Zealand Productivity Commission	At a glance - Final report - Low-emissions economy (/sites/default/files/2024-05/pc-inq-lee-at-a-glance-low-emissions-economy.pdf) (PDF 142.38 KB)
1 Aug 2018	Sherwin, Murray	Speech: Seeking Net Zero: The Challenge and Opportunity of Climate Change (/sites/default/files/2024-05/pc-inq-lee-nzier-speech-august-2018-seeking-net-zero-copy.pdf) (PDF 127.03 KB)
1 Aug 2018	New Zealand Productivity Commission	Media release - Act now to set New Zealand on the path to achieve a low-emissions future (/sites/default/files/2024-05/pc-inq-lee-media-release-act-now-to-set-new-zealand-on-the-path-to-achieve-a-low-emissions-future.docx) (DOCX 63.25 KB)

Terms of reference and issues paper

Expand the table below

Issues Paper: Low Emissions Economy Inquiry		
Doc. Date	Creator	Title
1 Oct 2018	New Zealand Productivity Commission	Summary of submissions - Low-emissions economy (/sites/default/files/2024-05/pc-inq-lee-summary-of-submissions-report-low-emissions-economy.pdf) (PDF 466.64 KB)

Doc. Date	Creator	Title
1 Aug 2017	New Zealand Productivity Commission	Issues paper - Low-emissions economy (/sites/default/files/2024-05/pc-inq-lee-low-emissions-economy-issues-paper.pdf) (PDF 1.28 MB)
26 Apr 2017	Minister of Finance	Terms of Reference for inquiries into the opportunities and challenges of a transition to a lower net emissions economy for New Zealand (/sites/default/files/2024-05/pc-inq-lee-terms-of-reference-v2.pdf) (PDF 250.81 KB)

Research

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Research: Low Emissions Economy Inquiry		
Doc. Date	Creator	Title
1 Sep 2017	Weeks, Teresa	Examining the UK Climate Change Act 2008 (/sites/default/files/2024-05/pc-rp-examining-the-uk-climate-change-act-2008.pdf) (PDF 565.21 KB)
1 Jul 2018	Concept Consulting; Motu Economic and Public Policy Research; Vivid Economics	Final results workbook - Modelling the transition to a lower net emissions New Zealand: Uncertainty analysis (/sites/default/files/2024-05/pc-inq-lee-final-results-workbook-concept-motu-vivid.xlsx) (XLSX 13.69 MB)
1 Jul 2018	Motu Economic and Public Policy Research; Vivid Economics; Concept Consulting	Modelling the transition to a lower net emissions New Zealand - Uncertainty analysis (/sites/default/files/2024-05/pc-inq-lee-modelling-the-transition-to-a-lower-net-emissions-new-zealand-uncertainty-analysis-concept-motu-vivid.pdf) (PDF 2.09 MB)
27 Apr 2018	Sapere Research Group; Stevenson, Toby; Batstone, Stephen; Reeve, David; Poynton, Matt; Comendan, Corina	Transitioning to zero net emissions by 2050: moving to a very low-emissions electricity system in New Zealand (/sites/default/files/2024-05/pc-inq-lee-transitioning-to-zero-net-emissions-by-2050.pdf) (PDF 2.76 MB)

Research (externally hosted)

1 May 2019 | Vivid Economics; Concept; Motu Economic and Public Policy Research | [Modelling the transition to a lower net emissions New Zealand: Uncertainty analysis](https://environment.govt.nz/publications/modelling-the-transition-to-a-lower-net-emissions-new-zealand-uncertainty-analysis/) | [Ministry for the Environment](https://environment.govt.nz/publications/modelling-the-transition-to-a-lower-net-emissions-new-zealand-uncertainty-analysis/) (<https://environment.govt.nz/publications/modelling-the-transition-to-a-lower-net-emissions-new-zealand-uncertainty-analysis/>)

Draft report

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Draft Report: Low Emissions Economy Inquiry		
Doc. Date	Creator	Title

Doc. Date	Creator	Title
1 Apr 2018	New Zealand Productivity Commission	Draft report - Low-emissions economy (/sites/default/files/2024-05/pc-inq-lee-productivity-commission-low-emissions-economy-draft-report.pdf) (PDF 6.75 MB)

Submissions

[Public submissions on issues paper - Low-emissions economy \(/publications/public-submissions-issues-paper-low-emissions-economy\)](/publications/public-submissions-issues-paper-low-emissions-economy)

[Public submissions on draft report - Low-emissions economy \(/publications/public-submissions-draft-report-low-emissions-economy\)](/publications/public-submissions-draft-report-low-emissions-economy)

Evaluation

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Evaluation: Low Emissions Economy Inquiry		
Doc. Date	Creator	Title
1 Jan 2019	Craik, Wendy	A review for the NZ Productivity Commission of its report on Low-Emissions Economy (/sites/default/files/2024-05/pc-inq-lee-evaluation-expert-review-low-emissions-economy.pdf) (PDF 246.74 KB)
1 Nov 2018	New Zealand Productivity Commission	Participant survey - Low-emissions economy. (/sites/default/files/2024-05/pc-inq-lee-evaluation-participant-survey-low-emissions-economy.pdf) (PDF 265.65 KB)
1 Nov 2018	Pickens, David	Focus group evaluation - Low-emissions economy. (/sites/default/files/2024-05/pc-inq-lee-evaluation-focus-group-low-emissions-economy.pdf) (PDF 174.29 KB)

Related content

Related information:

[Productivity Commission \(2011 - 2024\) \(/information-and-services/nz-economy/productivity/productivity-commission-2011-2024\)](/information-and-services/nz-economy/productivity/productivity-commission-2011-2024)

Productivity Commission material

Material incorporated in the Treasury website since May 2024:

[Inquiries \(/information-and-services/nz-economy/productivity/productivity-commission-2011-2024#collection-group-heading-0\)](/information-and-services/nz-economy/productivity/productivity-commission-2011-2024#collection-group-heading-0)

[Working papers / research \(/publications/research-and-commentary/discontinued-series/productivity-commission-working-papers-and-research-papers-2013-2024\)](/publications/research-and-commentary/discontinued-series/productivity-commission-working-papers-and-research-papers-2013-2024)

Corporate documents (/information-and-services/nz-economy/productivity/productivity-commission-2011-2024#collection-group-heading-2)

Disestablishment February 2024 (/information-and-services/nz-economy/productivity/productivity-commission-2011-2024)