



20 June 2023

Climate Change Commission  
PO Box 24448  
Wellington

Via email: [haveyoursay@climatecommission.govt.nz](mailto:haveyoursay@climatecommission.govt.nz)

**RE: 2023 DRAFT ADVICE TO INFORM THE STRATEGIC DIRECTION OF THE GOVERNMENT'S SECOND EMISSIONS REDUCTION PLAN**

Tenā koe,

Hospitality New Zealand (Hospitality NZ) is a member-led, not-for-profit organisation representing 3,000 businesses, ranging across cafés, restaurants, bars, nightclubs, commercial accommodation, country hotels, and off-licences. We have a 121-year history of advocating on behalf of the hospitality and tourism sector.

Hospitality NZ welcomes the opportunity to submit on the Climate Change Commission's 2023 draft advice to inform the strategic direction of the Government's second Emissions Reduction Plan.

**IMPACT ON SMALL BUSINESS**

We do not feel that appropriate consideration has been given to the impact of these changes on small business. As we know, much of the New Zealand economy is made up of micro, small and medium enterprises, and they carry the cost of many of these changes.

In a hospitality context, our operators will pay more for the products they buy, the transport to their venues, the energy they use and the waste removed from their premises. Our operators will be paying more every step of the way, and while the section dedicated to small business makes these changes sound simple, no amount of signalling lessens the cost to our members, and is another case of Government imposing costs on small business.

**USE OF GAS**

Recommendation 12 once again seeks to prohibit the new installation of fossil gas in buildings – we strongly oppose this recommendation.

A similar recommendation was floated in the Commission's draft advice on the first Emissions Reduction Plan but was dropped before the final advice was published. We received no response from the Commission and met with the Minister of Energy and Resources and MBIE officials at the time to discuss our concerns. We are not clear on what has changed in the intervening period to warrant this issue being revisited.

This recommendation is an outlier in the draft advice. It stands out as oddly fuel-selective and prescriptive, in a way that most of the other recommendations are strategic and focused on reducing barriers and enabling innovation.

We appreciate that this time around more acknowledgement was given that commercial cooking does not have a viable alternative to gas. We are still concerned that no structure is given to what constitutes 'pragmatic judgement' and how our industry may be supported to transition without undue cost.

As we made clear in our previous submission for the first Emissions Reduction Plan, many styles of cooking require naked flame and electric cooking is often not efficient enough to operate at the volumes we do as a sector. Additionally, continuous hot water is an issue for highly loaded establishments, both food and beverage and accommodation providers. Running out of cylinder water is expensive and has negative impact on speed of service and wage costs. This also increases energy use when loads are low.

An outright ban on new connections undermines future options for renewable gases. We understand there are a number of alternatives in the pipeline so to speak, including projects and pilots for biogas and hydrogen blends. These require a gas infrastructure network in order to deliver gas to the places that will use these alternatives, and banning new connections is not conducive to aiding a transition to alternatives. A transition should be more focused on what's in the pipes rather than inhibiting the infrastructure.

Finally, the recommendation pre-empts the release of the Gas Transition Plan. It is appropriate to first establish the overarching transition strategy for the gas sector and its end users, rather than looking to impose a rule or ban ahead of the Gas Transition Plan's release.

The sector is not against a transition. We simply need to see viable alternatives researched, developed and invested in before transitional timeframes are set. Infrastructure needs continued support, and we would welcome work with the Government to transition and pilot any alternatives.

Thank you for the opportunity to submit on Climate Change Commission's draft advice. Please do not hesitate to contact us if you have any further questions.

Ngā mihi nui,



**Julie White**  
**Chief Executive**  
**Hospitality New Zealand**