

Business and Interest Group Consultation Meeting Reports

Meeting location	Date
Auckland	21 May 2002
Christchurch	30 May 2002
Dunedin	28 May 2002
Greymouth	31 May 2002
Hamilton	22 May 2002
Invercargill	27 May 2002
Napier	23 May 2002
Nelson	29 May 2002
Palmerston North	23 May 2002
Stratford	21 May 2002
Tauranga: see local government meetings	23 May 2002
Wellington	28 May 2002
Whangarei	20 May 2002

Meeting Location	Auckland
Meeting Date	21 May 2002
Meeting Type	Business and interest groups
Facilitator	Karen Bell
Climate Change Project Staff Attending	Scott Gulliver, Policy Analyst Martin Harvey, Deputy Director, Policy Diana Moir, Media Advisor Elisabeth Numan-Parsons, Policy Analyst
Issues raised and discussed during meeting	
<p>General:</p> <ul style="list-style-type: none"> Concerns about the consultation process and the time allowed for consultation Wide ranging discussion on policies <p>Public awareness:</p> <ul style="list-style-type: none"> Need for awareness-raising on issues and comprehensive climate change education 	
Report back messages from group discussions	
<p>General:</p> <ul style="list-style-type: none"> More detail needed on policies in many areas Equity issues raised Concern as to how the preferred policy package will impact on the vulnerable 	

<u>Agriculture and forestry:</u>	
<ul style="list-style-type: none"> • Questions on sinks and how they will work 	
<u>RMA:</u>	
<ul style="list-style-type: none"> • Need for clarity on the RMA through legislation 	
<u>Revenue Recycling:</u>	
<ul style="list-style-type: none"> • Need for more transparency on revenue recycling 	
Evaluation of meeting: average rating from attendees:	6

Meeting Location	Christchurch
Meeting Date	30 May 2002
Meeting Type	Business and interest groups
Facilitator	Lynette Wharfe
Climate Change Project Staff Attending	Alistair Dixon, Senior Policy Analyst Scott Gulliver, Policy Analyst Diana Moir, Media Advisor Maria Murdoch, Policy Analyst Elisabeth Numan-Parsons, Policy Analyst
Issues raised and discussed during meeting	
<u>Emissions Charge:</u>	
<ul style="list-style-type: none"> • Inflationary impacts of the policy package • The possibility of a conflict with regional development • The low level of the emissions charge will not change behaviour • Implementation: Concern about the cost of institutional arrangements that will need to be set up to implement the preferred policy package • The emissions charge cap of \$25 a tonne is too low 	
<u>Ratification:</u>	
<ul style="list-style-type: none"> • Support for and against ratification 	
<u>Energy:</u>	
<ul style="list-style-type: none"> • Concern about a predicted energy shortage in the future and energy planning 	
<u>Sinks:</u>	
<ul style="list-style-type: none"> • Oceans as sinks 	
Report back messages from group discussions	
<u>Fuel switch:</u>	
<ul style="list-style-type: none"> • To change a fuel source requires technology changes and capital investment - difficult for some businesses 	
<u>Impact on SMEs:</u>	
<ul style="list-style-type: none"> • Small businesses are price takers, to absorb an emissions charge will require a reduction in staff and product substitution. This could have a serious impact on small to medium enterprises. This is important for New Zealand as 60% of businesses are small to medium enterprises and 80% of people are employed by them. Many of these businesses are exporters but will not get negotiated greenhouse agreements. Revenue should be dedicated to support small to medium enterprises 	

Other general group comments on the package	
<ul style="list-style-type: none"> • Policies do not do enough to reduce greenhouse gases • There are too many unanswered questions on the details in the policy package • Not enough time in consultation for comments and submissions 	
Evaluation of meeting: average rating from attendees:	5.6

Meeting Location	Dunedin
Meeting Date	28 May 2002
Meeting Type	Business and Interest Groups
Facilitator	Lynette Wharfe
Climate Change Project Staff Attending	Alistair Dixon, Senior Policy Analyst Scott Gulliver, Policy Analyst Diana Moir, Media Advisor Maria Murdoch, Policy Analyst Elisabeth Numan Parsons, Policy Analyst

Issues raised and discussed during meeting

Climate change as a phenomenon:

- Some people believe that New Zealand needs to do something about climate change quickly, others are sceptical of the science of climate change
- Concern as to whether a change of government will affect whether the policies will be put into place

Revenue recycling:

- Question as to the form this will take. Participants would like to be given an assurance that it will be put into policies to reduce emissions

Competitiveness-at-risk:

- What is world's best practice?
- Will competitiveness-at-risk policy ensure that there is no emissions leakage?
- What is an example of a competitiveness-at-risk firm?
- Concerns about chemicals, sprays and transport and the effect that these have on emissions. In particular, what is being done about transport?
- What if the target rate of reduced emissions is not met?

Report back messages from group discussions

RMA:

- The Resource Management Act, what issues does this raise for urban planning?

Fairness:

- Concern that the policies treat the North and South Islands differently. The South Island has hydroelectricity, does this count for anything?

NGAs:

- What mechanisms will there be to enforce Negotiated Greenhouse Agreements?

Agriculture and forestry:

<ul style="list-style-type: none"> • The agricultural research levy is not a significant cost. • Confusion over what a sink is and what incentives there are for permanent planting. There are already some incentives for permanent planting through local government. Will other sinks be included in further commitment periods? 	
Public awareness:	
<ul style="list-style-type: none"> • There is a need for a lot of public awareness, or else by the time people come to terms with climate change and actually do something, it will be too late to make a difference. • Make sure any programmes for climate change education refer to and partner other public education initiatives eg Green Globe Initiative, govt programmes for fitness and health. 	
Other general group comments on the package	
<ul style="list-style-type: none"> • Comments on the speed and duration of the consultation process (that it was too short) • Need more details on the policy package 	
Evaluation of meeting: average rating from attendees:	6

Meeting Location	Greymouth
Meeting Date	31 May 2002
Meeting Type	Business and Interest groups
Facilitator	Karen Bell
Climate Change Project Staff Attending	Robin Brasell, Senior Policy Analyst Scott Gulliver, Policy Analyst Douglas Simpson, Policy Analyst
Issues raised and discussed during meeting	
Ratification:	
<ul style="list-style-type: none"> • Should the Kyoto Protocol be ratified. Concern about ratification because of adverse effects on communities, business and the economy 	
Emissions charge:	
<ul style="list-style-type: none"> • Questions over how the emissions charges were calculated in the table in the discussion document and how accurate they are. Major concerns were expressed as to how the community could absorb additional costs • The effect of the emissions charge on coal production and export industries 	
Report back messages from group discussions	
Agriculture and forestry:	
<ul style="list-style-type: none"> • Concerns about additional costs for farmers in the future. The research levy for agriculture should be directed at establishing baseline emissions first • Need more information before making policy decisions. Meeting concerns over the accuracy of the methane and price of coal figures • A question about why individual foresters do not receive sink credits 	
Emissions charge:	
<ul style="list-style-type: none"> • There should be incentives to reduce greenhouse gases, rather than costs for things like coal and electricity. It is better to reward people who reduce 	

emissions rather than taxing everybody <ul style="list-style-type: none"> Some industrial plants are already working on an energy-efficient system and will not be able to cope with an emissions charge. They will not be able to increase their energy efficiency Coal burnoffs on site need to be accounted for (at Solid Coal) and charged 	
<u>Regional concerns:</u> <ul style="list-style-type: none"> Will there be recognition of regional differences where there are not alternative fuel supplies/sources. Electricity prices in the North Island and South Island? Will they be different? 	
Other general group comments on the package <ul style="list-style-type: none"> People don't like government intervention and are concerned about the costs and effects on a stressed local economy There is a much greater need for detail on the policy package before feedback can be properly given 	
Evaluation of meeting: average rating from attendees:	5.5

Meeting Location	Hamilton
Meeting Date	22 May 2002
Meeting Type	Business and interest groups
Facilitator	Karen Bell
Climate Change Project Staff Attending	Scott Gulliver, Policy Analyst Elisabeth Numan-Parsons, Policy Analyst Murray Ward, Principal Advisor
Issues raised and discussed during meeting	
<u>General:</u> <ul style="list-style-type: none"> Climate change policy needs to build on what has been done overseas The approach being taken is positive and shows good leadership, but the policies mean that there will be people who win and people who lose 	
<u>Sinks:</u> <ul style="list-style-type: none"> People had many questions on what sinks are and how they work 	
<u>NGAs and CAR:</u> <ul style="list-style-type: none"> Competitiveness-at-risk, how does it work? How easy would it be to get a Negotiated Greenhouse Agreement? What incentives will there be for business to be more energy efficient? 	
Report back messages from group discussions	
<u>Emissions charge:</u> <ul style="list-style-type: none"> There are questions on why there will be an increased fuel charge, and whether it will reduce usage and change behaviour Why not tax emissions, rather than the primary source? 	
<u>Transport:</u> <ul style="list-style-type: none"> Concerns as to whether there will be enough incentives for energy efficient vehicles Transport is a major contributor to CO₂ but the climate change project is not 	

<p>specifically consulting with the transport sector</p> <ul style="list-style-type: none"> It will be interesting to see whether new, cleaner technologies have a dramatic effect on our CO₂ emissions <p>General:</p> <ul style="list-style-type: none"> Participants in the meeting would like a more positive, incentives-based approach to climate change 	
Evaluation of meeting: average rating from attendees:	7

Meeting Location	Invercargill
Meeting Date	27 May 2002
Meeting Type	Business and interest groups
Facilitator	Lynette Wharfe
Climate Change Project Staff Attending	Murray Ward, Principal Advisor Maria Murdoch, Policy Analyst Scott Gulliver, Policy Analyst Margie Wheeler, Communications and consultation Manager
Issues raised and discussed during meeting	
<p>Climate change as a phenomenon:</p> <ul style="list-style-type: none"> There were one or two participants who were strongly sceptical of the science of climate change <p>Ratification:</p> <ul style="list-style-type: none"> There was confusion around ratification and the effect of an early election <p>Projects:</p> <ul style="list-style-type: none"> Seek a clarification of projects <p>Agriculture and forestry:</p> <ul style="list-style-type: none"> Where does agriculture fit in? There was a great deal of discussion around sink credits, and people especially wanted to know what will happen to the revenue that they generate <p>NGAs and CAR:</p> <ul style="list-style-type: none"> What are the details of any potential emissions trading schemes It may be difficult for firms to prove that they are at world's best practice Businesses could be compromised if their emissions are too high <p>Regional concerns:</p> <ul style="list-style-type: none"> The South Island has a lot of hydro-electricity, but people in the South Island will still have to pay an emissions charge. Is this equitable? What are the implications of the preferred policy package for coal plants? 	
Report back messages from group discussions	
<p>Regional concerns:</p> <ul style="list-style-type: none"> If Southland is to attain economic growth then it will need additional energy generation to do so. Southland wants a coal power plant – how would this fit in to the Government's climate change policies? How achievable are the alternatives of wind, bio-fuels and waves? 	

<ul style="list-style-type: none"> • Will the tax/charge apply to organic farming? 	
Emissions charge:	
<ul style="list-style-type: none"> • Is the cap on the emissions charge final? 	
Agriculture and forestry:	
<ul style="list-style-type: none"> • Is there any other country that is putting a levy on its agricultural sector to fund research? • What will the incentives for forestry be? Will this be the same for plantations? 	
Public Education:	
<ul style="list-style-type: none"> • New Zealand needs more public education on climate change, people are not aware of the possible solutions. There needs to be a balance in the media 	
Other general group comments on the package	
<ul style="list-style-type: none"> • People came in with some strong concerns but these were addressed during the meeting • People felt more comfortable at the end, but there were still some uncertainties about details of the policies 	
Evaluation of meeting: average rating from attendees:	7.5

Meeting Location	Napier
Meeting Date	23 May 2002
Meeting Type	Business and interest groups
Facilitator	Lynette Wharfe
Climate Change Project Staff Attending	Robin Brasell, Senior Policy Analyst Charlie Russell, Policy Analyst Lisa Sheppard, Senior Policy Analyst Margie Wheeler, Communications and consultation Manager.
Issues raised and discussed during meeting	
International:	
<ul style="list-style-type: none"> • General concerns about whether New Zealand will be able to compete with the US and Australia 	
Agriculture and forestry:	
<ul style="list-style-type: none"> • The retention of sinks was discussed and there was grudging acceptance of the liabilities element 	
Waste:	
<ul style="list-style-type: none"> • Waste issues were of high interest to some (and there was some concern about the lack of awareness with regard to waste strategy conservation) 	
Ratification:	
<ul style="list-style-type: none"> • There was also general concern about the pace of ratification, specifically that policy development was continuing but ratification is delayed 	
Impacts and Adaptation:	
<ul style="list-style-type: none"> • The idea of how New Zealand might adapt to some of the effects of climate change was of interest 	

Report back messages from group discussions	
<u>NGAs and CAR:</u>	
<ul style="list-style-type: none"> • Were concerned about the broader issue of how businesses that are competitiveness-at-risk were dealt with in the policy package and how New Zealand's aggregate competitiveness would be affected • More information was needed on the costs of the policy package. 	
<u>RMA:</u>	
<ul style="list-style-type: none"> • There needs to be clarification of the role of Local Government (either an amend to the Resource Management Act or a National Policy Statement) 	
<u>Impacts and adaptation:</u>	
<ul style="list-style-type: none"> • Planning for climate change is really important, especially in regard to coastlines and aquifers and water in regions • Some money will need to be given to local governments in order to cover adaptation costs 	
Other general group comments on the package	
<ul style="list-style-type: none"> • Support for principles and goals that are shown in the preferred policy package 	
Evaluation of meeting: average rating from attendees:	6.1

Meeting Location	Nelson
Meeting Date	29 May 2002
Meeting Type	Business and Interest Groups
Facilitator	Karen Bell
Climate Change Project Staff Attending	Robin Brasell, Senior Policy Analyst Lisa Sheppard, Senior Policy Analyst Douglas Simpson, Policy Analyst
Issues raised and discussed during meeting	
<u>International:</u>	
<ul style="list-style-type: none"> • People had questions about results of previous consultation, and did not want New Zealand to get ahead of other countries in policy development 	
<u>General:</u>	
<ul style="list-style-type: none"> • Many participants were complementary about what New Zealand is doing in relation to climate change. They are impressed by the leadership that central Government has shown • There needs to be a lot of focus on making the foundation policies work. 	
<u>Energy:</u>	
<ul style="list-style-type: none"> • There should be more people promoting energy efficiency 	
Report back messages from group discussions	
<u>Transport:</u>	
<ul style="list-style-type: none"> • The transport strategy could reduce greenhouse gas emissions, there needs to be action in this sector 	
<u>General:</u>	
<ul style="list-style-type: none"> • Behaviour needs to be changed, to do this policies may need more teeth and 	

<p>more incentives</p> <ul style="list-style-type: none"> • Funding for foundation policies is really important <p><u>NGAs and CAR:</u></p> <ul style="list-style-type: none"> • Questions on who would get a Negotiated Greenhouse Agreement <p><u>Agriculture and forestry:</u></p> <ul style="list-style-type: none"> • Lots of questions about sinks <p><u>Public Awareness:</u></p> <ul style="list-style-type: none"> • Education is needed and there is a strong role for local government. In particular there is strong support for a modified Cities for Climate Protection programme • Need to change behaviour - there were lots of suggestions on how to do this 	
Evaluation of meeting: average rating from attendees:	6

Meeting Location	Palmerston North
Meeting Date	23 May 2002
Meeting Type	Business and Interest Group
Facilitator	Lynette Wharfe
Climate Change Project Staff Attending	Lisa Sheppard, Senior Policy Analyst Robin Brasell, Senior Policy Analyst Charlie Russell, Policy Analyst
Issues raised and discussed during meeting	
<p><u>General:</u></p> <ul style="list-style-type: none"> • There were general questions of clarification • An idea that we should have a promotion scheme to encourage greenhouse friendly companies to come to New Zealand <p><u>Revenue recycling:</u></p> <ul style="list-style-type: none"> • Some people would support an emissions charge if it was clearer where the money was going to be spent • Money from the emissions charge should be put into roads • It might be a good idea to put the money back into renewables 	
Report back messages from group discussions	
<p><u>Renewable energy:</u></p> <ul style="list-style-type: none"> • One discussion turned into a discussion of alternative power sources • There were arguments about the value of nuclear power • Suggestions that there should be interest free loans for solar power on roofs • The solar greenhouse gas payback is three months – people need to consider the lifecycle of an energy source <p><u>Transport:</u></p> <ul style="list-style-type: none"> • Government needs to encourage vehicles that are less ‘hungry’ for fuels. • There should be bigger fees for the licences of bigger vehicles • Consider urban design and public transport at the same time <p><u>Local Government:</u></p>	

<ul style="list-style-type: none"> Local government is the weak link in the chain, it needs resources. But keep its role simple in education and encouragement 	
<p><u>Agriculture and forestry:</u></p> <ul style="list-style-type: none"> There were mixed views on forestry, some people thought that forest owners should receive carbon credits for their forests and others did not The transaction costs of having to monitor forests if sinks were devolved would be huge There was scepticism that research could reduce emissions on steep hill country There may be a need to change the animal species that we farm and to consider the whole life-cycle of animals 	
<p><u>Public awareness:</u></p> <ul style="list-style-type: none"> Consumers also have a responsibility to buy responsibly A precautionary approach should be taken to climate change and people should be educated about the threat 	
<p>Other general group comments on the package</p> <ul style="list-style-type: none"> This is still subject to political changes Need to know how revenue is being used People pressure on the planet is still a big issue It is good that something is being done 	
<p>Evaluation of meeting: average rating from attendees:</p>	<p>6</p>

Meeting Location	Stratford
Meeting Date	21 May 2002
Meeting Type	Business and interest groups
Facilitator	Lynette Wharfe
Climate Change Project Staff Attending	Robin Brasell, Senior Policy Analyst Lisa Sheppard, Senior Policy Analyst Charlie Russell, Policy Analyst
<p>Issues raised and discussed during meeting</p> <p><u>Impacts and adaptation:</u></p> <ul style="list-style-type: none"> Impacts are still not quantified <p><u>NGAs and CAR:</u></p> <ul style="list-style-type: none"> Concern that the costs of compliance will lead to distortions in the economy <p><u>Ratification:</u></p> <ul style="list-style-type: none"> There were concerns about ratification <p><u>Transport:</u></p> <ul style="list-style-type: none"> Concern that transport issues were not being addressed 	
<p>Evaluation of meeting: average rating from attendees:</p>	<p>7.5</p>

Meeting Location	Wellington
Meeting Date	28 May 2002
Meeting Type	Business and Interest Groups
Facilitator	Karen Bell
Climate Change Project Staff Attending	Robin Brasell, Senior Policy Analyst Lisa Sheppard, Senior Policy Analyst Douglas Simpson, Policy Analyst Margie Wheeler, Communications and Consultation Manager
Issues raised and discussed during meeting	
<p><u>International:</u></p> <ul style="list-style-type: none"> • What is the number of countries that have ratified? • Questions regarding pricing mechanisms <p><u>Transport:</u></p> <ul style="list-style-type: none"> • Transport policies are too slow, there needs to be action taken <p><u>NGAs and CAR:</u></p> <ul style="list-style-type: none"> • People wanted more details regarding Negotiated Greenhouse Agreements and which firms would be classed as competitiveness-at-risk • There were questions on what carbon leakage means • Who is subsidising whom? Are general energy users subsidising businesses? • There was strong debate and discussion from all sides about the nature and reasons for sheltering competitiveness-at-risk industries • Concerns about the transparency of the process that determines whether firms will be classed as competitiveness-at-risk 	
Report back messages from group discussions	
<p><u>Projects:</u></p> <ul style="list-style-type: none"> • How will they be judged, and what criteria will be used <p><u>NGAs and CAR:</u></p> <ul style="list-style-type: none"> • Question as to how pricing mechanisms will actual⁹ work to change behaviour • Should an emissions charge be implemented in 2007 or would it be more appropriate earlier • Agriculture accounts for a large part of our greenhouse gas emissions and is exempt from an emissions charge • Whether an increase in electricity to an energy intensive firm would be recognised under competitiveness-at-risk criteria • Concern over carbon leakage <p><u>RMA and Local Government:</u></p> <ul style="list-style-type: none"> • National Policy Statement would be better than a complicated Resource Management Act amendment • Concern over why Cities for Climate Protection would be implemented if climate change responsibilities are going to be removed from Councils <p><u>Public awareness:</u></p> <ul style="list-style-type: none"> • There needs to be public education, this was mentioned many times 	

<u>Emissions charge:</u>	
<ul style="list-style-type: none"> • Question as to whether the emissions charge would work like GST and whether you would be able to claim back on it • Some people were not sure if a petrol and electricity charge would make a difference 	
<u>Agriculture and forestry:</u>	
<ul style="list-style-type: none"> • Who is going to manage/have ownership of the research – it should be the farmer. • How do you pass a research levy evenly across the agricultural sector for example, when farmers are buying and selling stock the whole time • Concern about the calculation of methane emissions • There needs to be a clear incentive for farmers to conduct research and reduce emissions 	
Evaluation of meeting: average rating from attendees:	6.5

Meeting Location	Whangarei
Meeting Date	20 May 2002
Meeting Type	Business and Interest groups
Facilitator	Karen Bell
Climate Change Project Staff Attending	Martin Harvey, Deputy Director, Policy Scott Gulliver, Policy Analyst Elisabeth Numan-Parsons, Policy Analyst
Issues raised and discussed during meeting	
<u>Ratification:</u>	
<ul style="list-style-type: none"> • There was a discussion on whether New Zealand should ratify, with support both for and against 	
<u>NGAs and CAR:</u>	
<ul style="list-style-type: none"> • Discussed criteria for competitiveness-at-risk 	
<u>Public awareness:</u>	
<ul style="list-style-type: none"> • Information sharing, awareness raising and education needed 	
<u>Agriculture and forestry:</u>	
<ul style="list-style-type: none"> • There was discussion around the use of sink credits and how conservation programmes (such as Ebex 21) might fit in with sinks policy. There were concerns raised about cross subsidies between the business sector and farmers 	
<u>General:</u>	
<ul style="list-style-type: none"> • There were concerns about the impact of the preferred policy package on employment 	
Report back messages from group discussions	
<u>Public awareness:</u>	
<ul style="list-style-type: none"> • The group appreciated the information and background about climate change and believed that more of this education should be done 	
<u>General:</u>	

<ul style="list-style-type: none">• There were concerns about the effects of the policy package on the local economy and society	
Other general group comments on the package	
<ul style="list-style-type: none">• Not able to answer questions on whether the policy package is balanced and fair because the policy package is too general	
Evaluation of meeting: average rating from attendees:	6