COAL ACTION NETWORK AOTEAROA
ZERO CARBON BILL SUBMISSION
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Contact:
Melanie Vautier
Cindy Baxter

Q1. What process should the Government use to set a new emissions reduction target in legislation?
We need to get on with it and set a target by the end of the year so emitters know they have to comply and there is no more wiggle room.

Q2. If the Government sets a 2050 target now, which is the best target for New Zealand?
Net zero long-lived gases and an ambitious reduction target for methane. Methane emissions must be reduced rapidly and deeply, given methane's strong short-term effects and the urgency of making big emissions reductions as fast as possible

Also considering the ecological implications we face we should be aiming for net zero by 2040. We need to have fast and dramatic action so that a lot of the decarbonisation happens earlier on, as it is the cumulative emissions that matter.

We also need a holistic view, more so than 'baskets'. We should aim to stay within all planetary boundaries, not just climate change - we also need to address nitrogen and phosphorus cycles, biodiversity etc.

Q3. How should New Zealand meet its targets?
• domestic emissions reductions only (including using only limited sinks from new forest planting).

We have spent far too long relying on international credits and creative accounting with carbon sinks to meet our international commitments, and it's time to start cutting actual emissions at home.

Allowing international carbon credits to be counted as domestic emissions reduction has been completely ineffective. We should have either a 'firewall', in which NZ's emissions must reach zero domestically, but additional, separately counted international credits are still available; or no international credits - we have every capability of reaching these goals without them.
We need to set a **gross** emissions reduction target, and this is the way emissions (or sinks) from forests also needs to be counted. The “gross-net” regime we’ve relied on so far is not working.

The Zero Carbon Act’s goal of “net zero” by 2050 needs to be very clear about the definition of “net” and create limits around it.

New Zealand has gained an international reputation for “creative accounting” in this area (see page 12 of this document for a detailed description), and is proposing new international rules that may let us off accounting for the thousands of hectares of plantation forests we are currently harvesting. This makes it even more important to step away from our tricky history, and set a **gross emissions reduction target**.

We need to actually cut emissions, and not make it easy for a big emitter to just pour money into planting forests and carry on pumping CO2 into the atmosphere. We have relied far too heavily on forest sinks and the “creative accounting” in the Land Use, Land Use Change and Forestry accounting system under the UNFCCC rules.

We therefore propose a limit on any big emitter’s use of sinks - we could even set a “pre-LULUCF” target and consider the forest sinks an extra. This would focus minds on actually cutting emissions. We cannot rely on planting Shane Jones’ one billion trees as our way of cutting emissions. We have come under heavy criticism for this at the international level, and it’s time to face up to our increasing emissions from industry, transport and agriculture.

We need to create a regulatory environment where it is not a financially viable option for, for example, Fonterra - or Greymouth Hospital - to build new coal-fired boilers because they are the cheapest option.

We have international commitments under the Paris Agreement that are definitely sub-optimal. We should have strong five or ten year targets. We should have a stronger 2030 Paris Agreement target - setting our emissions reductions in the right direction, as well as giving an international signal to the world that we are serious about our emissions pathways.

**Q4. Should the Zero Carbon Bill allow the 2050 target to be revised if circumstances change?**
New Zealand has been arguing at international level for years that it has “exceptional circumstances” - largely in order to not move as fast as others. It is time for that to stop arguing that we have special circumstances and start taking strong action on climate change.

The only revisions allowed to be made to the Zero Carbon Act should be *revisions that strengthen it*. Circumstances in terms of climate impacts are only going to get worse - we need to be able to tighten up the legislation to cut emissions faster. In extreme cases, legislation can be transparently debated in Parliament.

Allowing a weakening of targets creates uncertainty, and could become an easy way out for future governments, which essentially takes away the whole point of the Bill.

**Emissions budgets**

**Q5. The Government proposes that three emissions budgets of five years each (ie, covering the next 15 years) be in place at any given time. Do you agree with this proposal?**
Q6. Should the Government be able to alter the last emissions budget (i.e., furthest into the future)?

- Yes, the third emissions budget should be able to be changed, but only when the subsequent budget is set. Again, it could only be made smaller, not bigger to allow more emissions. The whole essence of the Zero Carbon Act must be to stop climate change, and strengthen our action as the world warms, and the problem becomes worse, which it is inevitably going to do.

The changes should go through Parliament so all the arguments are laid out for the public to see and comment on.

Q7. Should the Government have the ability to review and adjust the second emissions budget within a specific range under exceptional circumstances?

No - again, only to strengthen it.

Q8. Do you agree with the considerations we propose that the Government and the Climate Change Commission take into account when advising on and setting budgets?

Yes

Government response

Q9. Should the Zero Carbon Bill require Governments to set out plans within a certain timeframe to achieve the emissions budgets?

Yes, and they must be legally binding plans, not voluntary.

Q10. What are the most important issues for the Government to consider in setting plans to meet budgets? For example, who do we need to work with, what else needs to be considered?

We need regulatory measures, rather than relying on ETS prices.
Vehicles are a stand out example - we are one of the few OECD countries with no emissions standards for cars - at all.

Work with iwi to ensure Treaty justice.

A just transition is important but it must be also be considered in delaying action; catastrophic climate change will not be a just transition for anyone. But is has to be just and it has to be a transition. That is clear.

We need to remove all fossil fuel subsidies and not use gas as a ‘transition fuel’. Already, Todd Energy are building a gas plant that may be rendered a stranded asset if we are to reach Net Zero Carbon by 2050. We want to see legislation that sends a clear message to these investors now - that there will be no exceptions.

Climate Change Commission

Q11. The Government has proposed that the Climate Change Commission advises on and monitors New Zealand’s progress towards its goals. Do you agree with these functions? Yes

Q12. What role do you think the Climate Change Commission should have in relation to the New Zealand Emissions Trading Scheme (NZ ETS)?

- advising the Government on policy settings in the NZ ETS
We believe the Commission will function best as a robustly independent advisory body, to avoid conflicts of interest if it ends up basically monitoring itself. However, to ensure transparency and accountability, the Government must table all its reports in Parliament.

Q13. The Government has proposed that Climate Change Commissioners need to have a range of essential and desirable expertise. Do you agree with the proposed expertise?

Yes, but it still emphasises economics over climate science. Unless economists start taking a more ecological viewpoint and considering externalities and the economy as part of a wider system, rather than all-encompassing, this could be dangerous in perpetuating current damaging institutions. It is important to have diverse experts in fields such as climate science and policy communication as well as economists. For example, previous governments have purposefully only looked at the cost of taking action, when they should also have looked at the costs of the impacts of climate change.

Adapting to the impacts of climate change

Q14. Do you think the Zero Carbon Bill should cover adapting to climate change? Yes

We are already experiencing the impacts of 1°C of warming - and we have seen marine heatwaves, causing our hottest summer ever this year, along with extreme flooding events and cyclones hitting many parts of the country. Until now, the Government has relied on regional councils to come up with their own planning for this, but many of them are calling for national guidance. We need a national plan including:

- **Identifying the risks**: The Government must prepare a National Climate Risk Assessment.

- **Safely adapting to climate change**: The Government must produce an Adaptation Programme to address the climate risks identified in the National Climate Risk Assessment. This will help guide regional councils as to how they will make their own adaptation plans at local level.

Q15. The Government has proposed a number of new functions to help us adapt to climate change. Do you agree with the proposed functions? Yes

Q16. Should we explore setting up a targeted adaptation reporting power that could see some organisations share information on their exposure to climate change risks? Yes