

New Zealand INDC towards Paris 2015
Submission
Awanui Haparapara A1
Chris Karamea Insley
Chairman
June 3rd, 2015

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By email: climate.contribution@mfe.govt.nz

Tena koe,

On behalf of the Awanui Haparapara A1 Trust, thank you for the opportunity to make a submission into the Crown's process on New Zealand's Climate Change Target towards a new international agreement on climate change in Paris later this year.

*“ The next 15 years will be critical, as the global economy undergoes a deep structural transformation that will determine the future of the world's climate system. It will not be **‘business as usual’**. The global economy will grow by more than half, a billion more people will come to live in cities and rapid technological advance will continue to change businesses and lives.*

*Low-carbon and climate resilient growth is possible. The capital for the necessary investments is available and the potential for innovation is vast. What is needed is **strong political leadership and credible consistent policies**.*

But without urgent action, warming could exceed 4⁰C by the end of the century with extreme and potentially irreversible impacts “.

Lord Nicholas Stern
The New Climate Economy (2014)

Unique Iwi / Maori interests in Climate-change

Within the New Zealand economy is the burgeoning Maori economy estimated at around \$NZ40 billion with interests especially concentrated around the primary sectors of farming, fishing, forestry (plantation and indigenous) and increasingly in the energy sectors. What ever happens to the climate will have a major especially economic impact on Maori and Iwi across the country and therefore Iwi and Maori have a keen interest in policies that governments of today and into the future may adopt in response to a warming planet.

Our interests in climate change policy are unique where our interests straddle both the emitter and carbon capture storage side of the carbon equation. Our interests are further more unique and complex in that while Iwi/Maori have a keen interest in economic impacts and opportunities, we also have a concurrent interest in the social impacts on our whanau and marae communities especially, and an interest in preserving and minimizing impacts on the environment.

Awanui Haparapara A1 Trust

We are a Maori Land Trust with land interests located in the rohe of Te Whanau a Apanui in the Eastern Bay of Plenty. We have particularly marine and foreshore and seabed interests and also have very strong interest in the likely social impacts of climate change on our whanau and marae community.

No other stakeholder in New Zealand shares these complex and unique policy interests as we have.

Too little time and information

- Whatever target (intended nationally determined contribution – INDC), the New Zealand Government takes forward into the international climate change negotiations in Paris later this year will have far-reaching implications for Iwi, Maori business and whanau living in our communities across the country.
- I am are deeply concerned at both the shortness of time (four weeks) and the lack of opportunity to understand and critically discuss the economic modeling work undertaken by the Crown to best understand what might be the impacts on Iwi and Maori and indeed to allow Iwi Leaders the necessary time to canvas these issues and complexities with iwi across the country and bring back views and options that are understood and supported (or not) by iwi across the country.
- I am aware that other countries like Australia, the United State and others have in contrast run a lengthy and very transparent process towards engaging their people in what target (s) they will take forward into the international negotiations in Paris in late 2015. We note that the Climate Change response Act 2002 places a formal obligation on the Crown to engage with Maori and iwi on any targets New Zealand may propose into international agreements.
- Accordingly, and in the absence of full engagement with Iwi, our submission can only signal our general views on what may be appropriate target (s) for New Zealand to advance into international climate change negotiations.

Government Infometrics and Landcare Economic Modeling

- Fails to recognize the central and vital role of New Zealand's existing plantation forests as an important store of emitted carbon and the important role the sector could play were large scale afforestation encouraged especially on marginal Maori-owned and erosion prone lands. Infometrics analysis (2013)¹ identified that with a carbon price of \$NZ15 per M³, this could potentially create 17,000 new jobs across the economy and especially be concentrated in Maori communities. A separate study done by Scion² (Forest research) assessed that such large scale new afforestation on Maori land's could accumulate and store up to 40Mt of CO2 per annum. Thereby meeting New Zealand's international emission reduction obligations.
- Fails to take into account the likelihood of technology and science particularly towards developing new emission reduction technologies from agriculture where the Government has invested heavily into the Global research Alliance to collaborate internationally towards creating new emission reduction technologies. Early results are encouraging that such new technologies are not that far off. Again, the INFOMETRICS economic modeling fails to recognize this option in a world that increasingly is moving to place a realistic price on carbon that will drive emitter behavior.

Guiding Principles for Iwi / Maori towards an INDC

Accordingly, the following principles provide guidance on what position New Zealand should advocate into any international negotiations and agreement on climate change. The target (s) and related policies must:

- Recognize and acknowledge the Treaty of Waitangi;

¹ INFOMETRICS (August 2013). The Contribution of Carbon forestry to the New Zealand Economy.

² Beets. P. (August 2013). Preparation of a national carbon yield table for post-1989 planted Radiata Pine forest on ex-pasture sites

- Be fair and equitable to the interests of Iwi /Maori;
- Balance;
 - Economic (whai rawa);
 - Social (whanau);
 - Environmental (kaitiaki); and
 - Cultural (tikanga) well-being; and
- Takes an especially medium to long term (intergenerational) view.

Government INDC objectives

Government (from discussion paper), have set the following three objectives for New Zealand's contribution:

- **Objective 1:** It is seen as a fair and ambitious contribution – both by international and domestic audiences;
- **Objective 2:** Costs and impacts on society are managed appropriately; and
- **Objective 3:** It must guide New Zealand over the long term in the global transition to a low emissions world.

Question 1a: Do you agree with these objectives for our contribution?

Objective 1:

- I support mutually agreeing with all stakeholders the objectives for this contribution. This will ensure the required essential national buy-in and cohesive action towards target achievement. However to be effective, there needs to be a shared understanding of what these objectives mean. Without a common context for interpretation, there is the risk

that stakeholders will have different interpretations and action will be inconsistent.

- It is also our view, that we should not burden Iwi / Maori (and New Zealand) with doing more than others. That is, to be acceptable internationally, we should set our contribution at a similar level to that of especially our major trading partners.
- We would also recommend that this objective is clarified as follows:
 - Fair in the domestic context means every sector and stakeholder is dealt with equitably, each sectors contribution is clearly road mapped and the cost to emitters is passed through at cost (transparency);
 - Fair in the international context means our contribution is at parity with our trading partners based on equitable and sustainable assumptions.

Objective 2:

- We are aware that what is seen as appropriate for one sector, may not be so for another. We therefore believe at the very least the word appropriately needs to be defined;
- However, we would recommend this objective should be amended to managed equitably, as this would be seen as even handed by all stakeholders.
- We would therefore recommend amendment of this objective to, "costs and impacts on society are managed equitably"

Objective 3:

- In our view this objective has merit but needs to be domestically focused – not globally focused;
- We would recommend the addition of the words *smooth* or *incremental*. The inclusion of either of these words will indicate that it is more desirable to deliver this contribution by moving from the current hockey stick planned action trajectory to a more even pathway to contribution achievement over time; and
- We do not believe this objective should be focused on world transition to a low carbon economy, rather we favor that this objective focuses on the delivery of a low carbon economy to New Zealand as a first priority, thereby ensuring New Zealand captures the benefits of such a transition.
- We would therefore recommend amendment of this objective to; “*it must guide New Zealand over the long term in the smooth transition to a low emissions economy*” or “*it must guide New Zealand over the long term to in the incremental transition to a low emissions economy*”

Question 1b: What is most important to you?

it is imperative that New Zealand’s INDC (and supporting objectives) act’s as a unifier for cohesive action in New Zealand and that time is not spent on interpreting or debating the intent. Accordingly the following are important to iwi leaders:

Internationally:

- New Zealand promote that any new agreement on climate change recognizes the rights and interest of indigenous people of the world;
- Contribution at parity with major trading partners;
- New Zealand contribution seen internationally as appropriate and supported by achievable actions (sector by sector);
- Settings attract international sustainable investment and low carbon technology options.

Domestically:

- All action (sector by sector are fair and equitable to the interests of Iwi / Maori;
- Recognizes the role and contribution of Maori owned indigenous forests as a carbon sink and biodiversity and water-storage sink;
- Targeted actions focused on assisting low income Maori households and marae communities;
- Cross-party agreement to the contribution and the actions to achieve this. For success, this should not remain a political issue. Cohesive and consistent action is required regardless of the party in power;
- In order to ensure cohesive sustained action, independent oversight of the delivery of this contribution should be enabled. We recommend the appointment of a commissioner and the establishment of a climate change office focused on the delivery of the road map and actions by sector. They will also be responsible for monitoring and measuring of actions to achieve the contribution target;
- Action is focused on developing New Zealand (versus world) economy as a priority and transitioning our economy to a low carbon economy;
- Transparent reporting;

- Smooth reduction path, not a hockey stick;
- Liquid and active domestic carbon market with depth of supply and demand;
- Settings that support investment and adoption of carbon mitigation initiatives and low carbon technology options;
- Officials will engage fully with Iwi leaders advisors fully and continuously in the development of all climate change plans (sector by sector) and any/all associated regulations as set out in the Climate Change response Act 2002.

Question 2. What do you think the nature of New Zealand’s emissions and economy means for the level of target that we set?

Table 1 below shows the greenhouse gas reduction targets of different countries or regions. They include national commitments and international commitments through the UN Framework Convention on Climate Change.

Table 1: Post-2020 national emission reduction targets³

Country/Region	Post-2020 target
China	Peak CO2 emissions around 2030
European Union	At least 40 per cent below 1990 by 2030
Germany	55 per cent below 1990 by 2030
Norway	At least 40 per cent below 1990 by 2030
Switzerland	50 per cent below 1990 by 2030
United States	26 to 28 per cent below 2005 by 2025
United Kingdom	50 per cent below 1990 over 2023-27

The expectation on every country is that the coming Paris conference will see them commit to doing more. The United States, China and Europe, which

³ Australian Government Climate Change Authority (June, 2015).

between them account for most global emissions, have already tabled offers, which significantly increase their effort.

Against this backdrop it will not be credible for New Zealand to continue with the policy to date of subsidising emitting industries and relying on the purchase of international units from emissions reductions made by other countries. This policy has seen our net GHG emissions rise 21% between 1990 and 2013 and would have been double that if it were not for the contribution of forestry offsets.

I note that no single number or simple formula tells you how good one country's target is relative to another's. Instead you need to consider a mix of relevant criteria, metrics and timeframes, and use judgment to assess whether the target is 'comparable' based on the full picture.

However, these calibration challenges should not be used as a 'smoke-screen' for New Zealand not tabling an emissions reduction target that is similarly ambitious as those targets set out in Table 1 above and critically will drive emitter behavior change especially out over the medium to longer term.

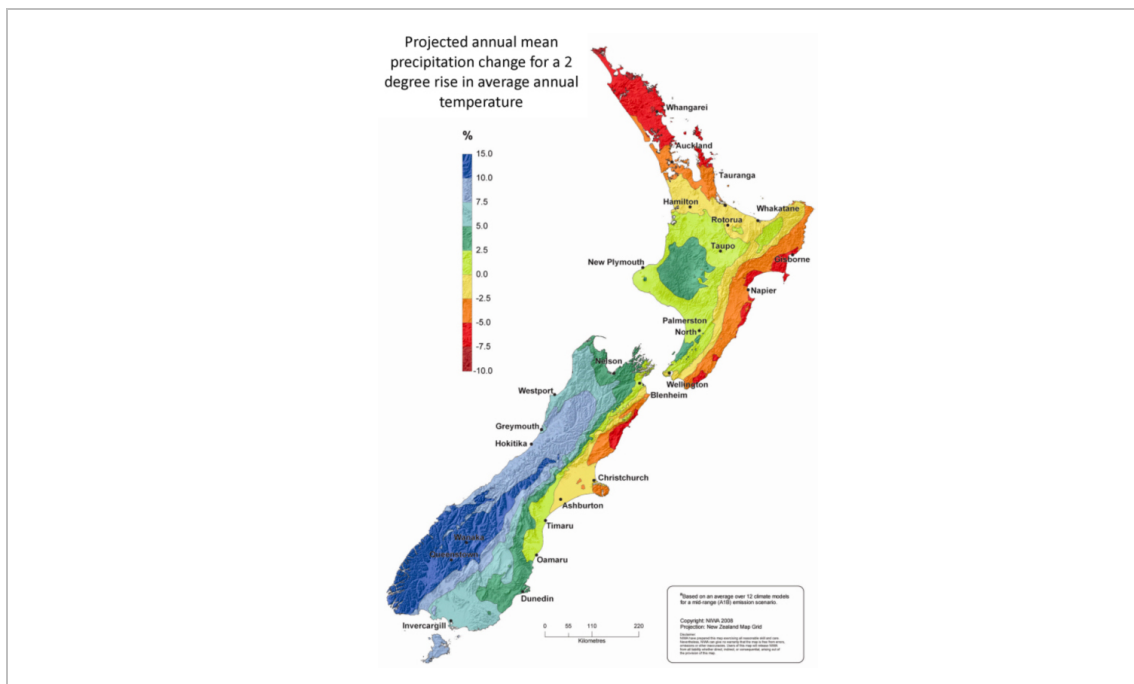
To achieve New Zealand's longer term 2050 goal based on an incremental increase in reductions over the period between now and then, the goal for 2030 would need to be at least the top of the range for the conditional 2020 target – 20%. By 2040 NZ would need a 35% reduction. New Zealand cannot continue to follow a hockey stick approach to the required transition. As more time goes by without action, the path gets steeper.

The Science is clear - climate change will have a disproportionate impact on Iwi / Maori

Warming of the climate system is unequivocal, and since the 1950s, many of the observed changes are unprecedented over decades to millennia. The atmosphere and ocean have warmed, the amounts of snow and ice have diminished, and sea level has risen⁴. People who are socially, economically, culturally, politically, institutionally or otherwise marginalized are especially vulnerable to climate change⁵.

Figure 1 below shows the projected impacts from climate change noting the high concentration of Maori owned lands in the Northland (Taitokerau), wider Central North Island and East-coast regions.

Figure 1: Projected New Zealand Climate change impacts



⁴ Intergovernmental Panel on Climate Change (IPCC). Climate Change 2014 Synthesis Report. Summary for Policymakers.

⁵ Ki-Moon, B. (2007). United Nations Convention on Climate Change.

Question 3: What level of cost is appropriate for New Zealand to reduce its greenhouse gas emissions?

- The focus on cost in the discussion paper is misleading. The paper completely ignores the benefits of the assumptions used to arrive at the costs. For example:
 - The costs set out in the paper assume a carbon price of \$NZ50 per m³ yet none of the benefits of that price have been analyzed and laid out in order that the public are able to make an informed decision and choice; and
 - The costs set out in the paper assume zero benefits will flow from forestry and especially the potential for large scale afforestation on marginal erosion prone Maori owned lands. These independently assessed benefits are set out in more detail later in our submission. Noting the current very low carbon price of between \$NZ5 to \$NZ6 per m³, our independent analysis done by the same economist using the same Computational General Equilibrium model shows that an increase to \$NZ15 per m³ in carbon price will result in a low annual cost to business and households of a mere \$NZ21.48 per annum. This cost would be lost in normal monthly costly fluctuations.
- This focus on cost ignores the Regional Development opportunities for Maori communities from targeted international and domestic climate change policy according to recently published studies for the Gisborne, Bay of Plenty and Northland regions.

- It is noted that an increase in carbon-price from the current \$NZ6.0 per m³ to \$NZ15.0 per m³ will not only restore \$NZ100's millions to the Maori and New Zealand economy lost in the 2012-13 carbon price collapse, that would be available for reinvestment by Iwi / Maori back into the local and national economies. Further, a \$NZ15.0 carbon price is the breakeven threshold required to attract valuable private sector investment to drive large-scale afforestation. And in time, such a strategy will reverse the current net-deforestation happening across New Zealand. None of these significant benefits have been considered nor analyzed in the discussion paper.

Question 4: Of the opportunities for New Zealand to reduce its emissions, which do you, think are the most likely to occur, or be most important for New Zealand?

Firstly, we have addressed this question in terms of which of the opportunities will be important to Iwi/Maori.

- Reducing greenhouse gas emissions and increasing forest sinks can lead to improved health, environmental and social well-being, and improved erosion control and water quality. Infometrics analysis (2013)⁶ identified that with a carbon price of \$NZ15 per m³, this could potentially create 17,000 new jobs across the economy and especially be concentrated in Maori communities. A separate study done by Scion⁷ (Forest research) assessed that such large scale new afforestation on Maori land's could accumulate and store up to 40Mt of CO₂ per annum. Thereby meeting New Zealand's international emission reduction obligations.

⁶ INFOMETRICS (August 2013). The Contribution of Carbon forestry to the New Zealand Economy.

⁷ Beets. P. (August 2013). Preparation of a national carbon yield table for post-1989 planted Radiata Pine forest on ex-pasture sites

- A transition to a low-carbon economy leads to greater energy security and limits our vulnerability to oil price volatility, supply disruptions and potentially high future carbon prices. Complimentary measures that are targeted towards low income Maori households will be important where any energy cost increases are likely as a result of rising carbon prices although an independent analysis done by INFOMETRICS assessed that a carbon price of \$NZ15 per m³ would amount to a very low cost to households and business of \$NZ21.48 per annum⁸.
- Remaining aligned with the global transition to a lower-carbon economy will ensure we remain competitive and productive in a world where the emissions intensity of our products and services will increasingly be an issue. Again, This is important to Iwi given the size and growth of the Maori economy and the trade exposed nature of this economy. Notwithstanding, the point is made again that New Zealand's INDC must reflect the same ambition of that of our major trading partners and particularly the United States and China.

Question 5: How should New Zealand take into account the future uncertainties of technologies and costs when setting its target?

- Firstly, that the target must recognize that technology will play a role in reducing New Zealand's emissions and invest appropriately as the Crown is doing through its contribution into the Global Research Alliance (GRA) for Agriculture emissions. New Zealand's INDC cannot ignore that technology will play a role in reducing emissions.
- By contributing to the GRA alongside the research capabilities of other trading partners like the United States, Japan, Europe, China and others, New Zealand can take comfort that it should set it's own INDC

⁸ INFOMETRICS (June, 2014). Household Electricity Costs under \$15/t CO₂. (Assumes 2 for 1).

with the same level of ambition as that of these major economies and particularly the United states and China.

Question 6: Is there any further information you wish the Government to consider?

- A real concern for me has been the instability of climate change policy over the last 10 and more years where as governments have come and gone, so too has policy 'waxed and waned'. We would strongly encourage that government engage and achieve cross party consensus on international and domestic (sector by sector) policy on climate change.
- As major players in New Zealand's forestry sector, strong contribution from Iwi/Maori and the forestry sector is fundamental to achieving any target. The long-term nature of that investment cycle is such that long-term policy certainty is crucial. Focus needs to be taken away from the political arena, so consistency and continuity can happen. In our view, this can only be achieved by the implementation of a cross party accord on climate change.
- As a treaty partner, the Crown must engage fully and early with Iwi / Maori on advancing New Zealand's INDC into the pending international negotiations and related domestic policy development (sector by sector) beyond Paris into 2016 including in any review of the Emissions Trading System (ETS).

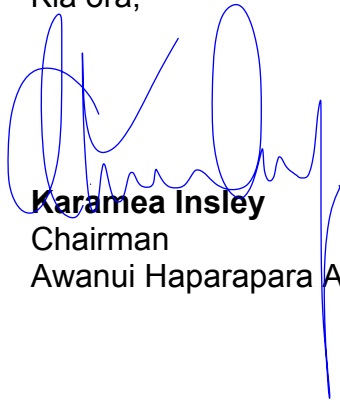
We are seeking strong political leadership aligned to the objectives and INDC's tabled by especially our major trading partners towards stable domestic climate change policy that takes a long term view, is fair and equitable to the interests of Iwi / Maori and will transition New Zealand towards a low emission economy.

In the words of **Lord Nicholas Stern**:

“ We know what needs to be done – so what is stopping us? “

I would welcome an opportunity to speak to or discuss my submission.

Kia ora,

A handwritten signature in blue ink, appearing to read 'Karamea Insley', with a long vertical line extending downwards from the end of the signature.

Karamea Insley
Chairman
Awanui Haparapara A1 Lands Trust

Treaty of Waitangi – Climate change Response Act 2002

As a:

- Maori New Zealander of Te Whanau a Apanui, Ngati Porou and Te Whakatohea tribal descent (whakapapa);
- An expert with more than 20 years in tribal development in forestry, farming, fishing and renewable energy sectors;
- An expert in international climate change negotiations and domestic (New Zealand) climate change policy development;
- An Independent Environment Commissioner;
- A Doctoral Student at the Universities of Waikato and Awanuiārangi with a thesis topic of 'Leadership in Sustainable development' where climate change is identified as a critical factor and enabler of such development;

I note the requirement as specified in the Climate Change Response Act 2002 that; "In order to recognise and respect the Crown's responsibility to give effect to the principles of the Treaty of Waitangi, Section:

- **3A**, a), b), d), i), ii) and iii), e), f), g), h), i) and, j);

That requires:

" the Minister must consult, or be satisfied that the chief executive has consulted, representatives of iwi and Māori that appear to the Minister or chief executive likely to have an interest in the specific items set out in Sections "

- **3A**, a), b), d), i), ii) and iii), e), f), g), h), i) and, j).

For the avoidance of doubt, I advise that I am representative of iwi and Māori with a specific interest in consultation and discussion with the Minister or Chief executive on each specific item set out in Section 3A of the Climate Change Response Act 2002. I look forward to full and early engagement and discussion on each and all of these matters.