

Consultation on setting New Zealand's post-2020 climate change target



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Objectives for the contribution

Do you agree with these objectives for our contribution? No

1b. What is most important to you?

We don't necessarily disagree with the objectives.

Our key concern is how the term 'costs' is used: objective two is referring to short term costs, not taking environmental costs or externalities into account. Without considering the cost of inaction or of limited action - leading to greater climate change and associated effects - the objectives are of limited value.

It appears that the possibility that some of NZ's key trading partners may in fact charge NZ exporters if they do not meet the carbon emission standards of these companies/economies or place a lower value on NZ's products is not being considered.

What would be a fair contribution for New Zealand?

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

This question assumes fairness in relation to the short term cost to the NZ economy. It does not consider opportunities from taking a leadership role in the area of climate change targets.

We believe NZ's economy is vulnerable due to its narrow base. Aside from the threat to export earnings from our agricultural sector due to quality issues (real or perceived), there will be increasing scrutiny of the carbon footprint of these exports. For example producing milk powder using coal as a fuel (as is typically the case in NZ) may mean that it may have a lower value to our overseas clients in future than locally produced milk powder using a renewable fuel. Given NZ's strong science and education sector, we believe there are significant opportunities for NZ to use the setting of a climate change target as a trigger to diversify NZ's economy and become a leader in science and technologies which result in lower carbon emissions. Germany for example demonstrated that it is possible to build a completely new industry in a very short time - supplying both domestic and export markets (photovoltaic/solar power) - if there is the political vision and will to do so. We believe that setting emission targets is an opportunity (e.g. in terms of a diversified economy and employment in higher paid jobs) as much as a problem and the question of what would be a fair contribution should be framed in this context.

How will our contribution affect New Zealanders?

3. What level of cost is appropriate for New Zealand to reduce its greenhouse gas emissions? For example, what would be a reasonable reduction in annual household consumption?

The government's discussion paper assumes that "setting an international target means the economy will grow more slowly than it otherwise would." I.e. it implies fewer jobs/lower incomes etc. We question this assumption, referring to our points above regarding 1) the opportunities associated with setting emission targets in terms of

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diversifying NZ's economy and 2) in terms of the likely cost of not setting ambitious enough targets and the effect this will have on NZ's economy due to our key trading partners putting charges on NZ's exports or placing a lower value on them (not to mention the longer term external costs which may well result in increasing climate extremes within our generation and the effect these will have on our economy with its currently narrow base).

4. Of the opportunities for New Zealand to reduce its emissions (as outlined on page 15 of the discussion document), which do you think are the most likely to occur, or be most important for New Zealand?

Summary

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

While NZ's economy is currently very dependent on its agricultural sector, NZ has a strong education and science sector. Setting higher targets will help NZ to maintain its 100% pure reputation and create opportunities for NZ to develop and implement or at least test and export technologies which can reduce emissions, create jobs and earn export \$\$.

Other comments

6. Is there any further information you wish the Government to consider? Please explain.
Uncertainty and change represents a threat as much as an opportunity. NZ, with its clean reputation and strong science sector, is ideally placed to take advantage of this change! Let's embrace it and take advantage of this change while we can take the initiative rather than being driven at a pace set by others if we don't. It makes good business and economic sense - not to mention that we owe some leading action to our children and grandchildren!

To quote www.pureadvantage.org (the brainchild of Phillip Mills, Pure Advantage was formed by a group of successful New Zealanders who want a greener, wealthier future for all of New Zealand): "By any count the commercial opportunities associated with green growth are enormous."

"We know – because we've been working on a formula for green growth for nearly three years. During that time we've looked at a lot of options for transforming New Zealand's future and we've shortlisted seven of what we believe are the biggest opportunities to come out of our earlier research and the new macroeconomic report."