

New Zealand INDC towards Paris 2015
Submission
Climate Change Iwi Leadership Group
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Tena koe,

*E te Minita, otira nga Minita koutou ko nga apiha e hoe na i te waka
kia taea te korero a Aotearoa ki te hui a te Ao ki Paris.*

*He tika te korero o nga matua tipuna; tangitangi a Ranginui ki tana
hoa wahine a Papatuanuku, kia ea, kia ora ai nga uri whakatipu mo
ake tonu atu.*

*Na reira, me mihi atu ki a ratau kua haere ki tua; ko Dr Apirana
Mahuika, ko Erima Henare, Henrietta Maxwell, ko wai ake, ko wai
ake; engari me whariki ki runga ki a ratou katoa nga mate katoa o te
motu. Haere atu ra koutou.*

*Ki a tatou te kanohi ora e takahi i te muka whenua, e tiaki hoki nei i
te Ao, tena tatou.*

The Climate Change Iwi Leadership Group (CCILG) is pleased to make this 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.

PART 1: KEY MESSAGES

This paper traverses the CCILG's views on climate change and our response to the Government's Consultation paper¹.

- Iwi leaders endorse a move towards an ambitious emissions reduction target of a similar nature to those recently announced by our major trading partners like the US, China and Europe.
- Noting the disproportionately high impact of emissions reduction measures on Maori communities, Iwi Leaders agree that the extent of those emissions reduction targets should take account of the nature of New Zealand's national circumstances and our emissions profile.
- Iwi leaders will commit to working with government towards complementary measures that target vulnerable Maori communities to address energy security starting in regions such as Northland, Auckland, Waikato and the East Coast.
- Iwi leaders are disappointed at the low level of engagement, the lack of time and information given to us to critically consider the complex issues for our industry interests, our marae communities and our whanau. We will expect a much higher level of engagement in refining New Zealand's INDC towards Paris negotiations and the development of domestic measures that are targeted towards our far-reaching economic, social, environmental and cultural interests.
- Iwi Leaders will commit to working closely and constructively with Ministers and officials towards these outcomes over the 12 months and beyond.

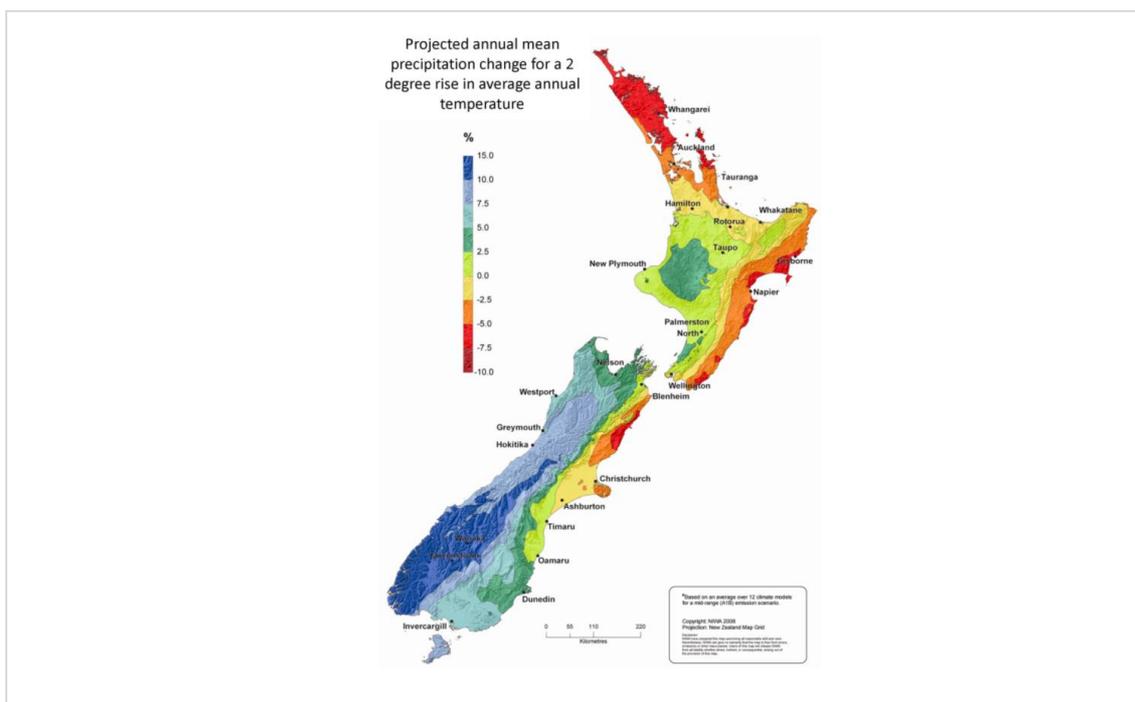
¹ New Zealand Government (June 2015). New Zealand's Climate Change Target. *Our contribution to the new international climate change agreement*. Discussion document.

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

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 risen². People who are socially, economically, culturally, politically, institutionally or otherwise marginalized are especially vulnerable to climate change³.

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.



² Intergovernmental Panel on Climate Change (IPCC). Climate Change 2014 Synthesis Report. Summary for Policymakers.

³ Ki-Moon, B. (2007). United Nations Convention on Climate Change.

PART 2: UNIQUE IWI INTERESTS IN CLIMATE-CHANGE

*“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)

Guiding Principles:

In accordance with our constituencies’ drivers, the following principles provide guidance for our view on what position New Zealand should advocate into any international negotiations and agreement on climate change. The related policies and resultant target(s) must:

- Recognize and acknowledge the Treaty of Waitangi;
- Be fair and equitable to the interests of Iwi /Maori;
- Set ambitious targets for emissions reduction policies;
- Balance;
 - Economic (whai rawa);
 - Social (whanau);
 - Environmental (kaitiaki); and
 - Cultural (tikanga) well-being; and
- Take an especially medium to long term (intergenerational) view.

Maori Society and Economy:

The latest Census figures show there were 598,605 people of Maori ethnicity living in New Zealand on Census night in 2013, which is a 33,276 (5.9 per cent) increase since the 2006 Census and importantly, the Maori Population is both younger than and, growing faster than non-Maori⁴.

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. Whatever happens to the climate will have a major especially economic impact on Iwi across the country and therefore Iwi have a keen interest in policies that governments of today and into the future may adopt in response to a warming planet.

Further, as noted below, previous research and analysis has established the impact of climate change and emissions reduction measures both have an impact on the Maori population that is disproportionate to the known bases for comparison with the non-Maori population.

Restoring some of the symmetry through the policy measures is an essential performance measure for the CCILG.

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 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 minimising impacts on the environment.

⁴ Statistics NZ (June 2015). Maori Population Estimates.

PART 3: NOT ENOUGH TIME OR 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.
- As Iwi leaders we are understandably concerned at both the brief time and therefore opportunity to fully 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.
- Iwi leaders are 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.

Gaps in information; flaws in model assumptions

- Both supporting analytical pieces (Infometrics and Landcare) to the Consultation Document fail 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.
- By contrast, previous Infometrics analysis (2013)⁵ 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 Scion⁶ (Forest research) assessed that such large scale new afforestation on Maori lands could accumulate and store up to 40Mt of CO² per annum. Thereby, meeting New Zealand's international emission reduction obligations.
- During our most recent meeting with Minister Groser, in our shared view he appropriately pointed to the investment into the Global Research Alliance where he welcomed news of a **breakthrough** by New Zealand researchers which offers the potential to cut greenhouse gas emissions from sheep and cattle by 30 to 90 percent without cutting production. He added, " if successfully developed and commercialized, the new findings offer the potential to fundamentally change New Zealand's emissions footprint in the long-term. It could also provide a technology with substantial value for tackling global agricultural emissions⁷ ".

⁵ INFOMETRICS (August 2013). The Contribution of Carbon forestry to the New Zealand Economy.

⁶ Beets. P. (August 2013). Preparation of a national carbon yield table for post-1989 planted Radiata Pine forest on ex-pasture sites.

⁷ Groser. T. April 29th, 2015. Ministers welcome scientific progress in cutting agricultural greenhouse gases.

The government's economic modeling seems to take no account of the contributions from technology and science towards new emission reduction technologies. Yet we note (and commend) the significant government invest (circa \$10m per annum) in research for new agricultural mitigation technologies through the New Zealand Agricultural Greenhouse Gas Research Centre and the Pastoral Greenhouse Gas Research Consortium.

- Thus while we recognize that Aotearoa, in agreeing to international targets for emission reductions must take our own national characteristics into account, given the impact of climate change upon Maori communities, we seek an assurance that the country is doing whatever it can afford, to assist the global situation.

PART 4: OUR RESPONSES TO QUESTIONS POSED

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: It is seen as a fair and ambitious contribution – both by international and domestic audience:

- Iwi leaders support fair and ambitious targets for emissions reduction policies.
- We note that the objective will require mutual agreement among stakeholders to ensure the required national buy-in and cohesive action towards target achievement. That in turn requires a shared understanding of what these objectives mean.
- The application of the term “fair” is critical to our support of the objective. It is our view, that we should not burden Iwi / Maori with doing more than others.
- The same applies in the international arena with respect to New Zealand and the intrinsic nature of our most emissions intensive industries such as transport, agriculture and energy relative to 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: Costs and impacts on society are managed appropriately:

- 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.
- In relation to the at risk Maori communities, CCILG proposes that a trial project be run to lower the vulnerability and raise the capability to deal with economic impacts and opportunities arising from emissions reductions policies. This could take the form of the Iwi of 3 large population groupings in the economically and climate change sensitive areas (e.g. Northland, East Coast, Waikato-Bay of Plenty) working with central and local government, power companies and other appropriate agencies to stabilize energy costs.
- We would therefore recommend amendment of this objective to, "costs and impacts on society are managed equitably"

Objective 3: It must guide New Zealand over the long term in the global transition to a low emissions world.

- In our view this objective has merit but needs to have a domestic focus – thus to think global and act local;
- 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 emission economy, rather we favor that this objective focuses on the delivery of a low emission 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 (comparative) parity with major trading partners;
- New Zealand contribution seen internationally as appropriate and supported by achievable local actions (sector by sector);
- Settings attract international sustainable investment and low emission technology options.

Domestically:

- All actions (sector by sector) are fair and equitable to the interests of Maori communities;
- Targeted actions focused on assisting low-income Maori households and marae communities. These especially include complimentary measures around energy security, home insulation and other low-emissions technologies, and large scale afforestation on Maori owned lands;
- Recognizes the role and contribution of Maori owned indigenous forests as a carbon sink and biodiversity and water-storage sink;
- 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;
- Action is focused on developing the New Zealand (versus world) economy as a priority and transitioning our economy to a low emission economy;
- Transparent reporting;
- Smooth reduction path, not a hockey stick;
- Liquid and active emissions market with depth of supply and demand;
- Settings that support investment and adoption of emission mitigation initiatives and low emission 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?

As stated above, the level for the target that New Zealand sets itself, should take account of our domestic economy, the nature of our emissions. We should then set ambitious or stretch targets that will provide incentives for emitters and consumers of their products to change behaviors.

For instance, noting the flow-on effect to consumer prices and the measures that suggest are available to address vulnerable communities, we are hard pressed to accept the continuation of the 2:1 ratio for emitters.

Nor does it seem credible for New Zealand emitters to be able to purchase international emission units without the converse ability of New Zealand emissions credit holders being able to trade internationally.

We note that 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.

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

- We have been unable to reconcile the benefits with the costs assumptions used in the discussion papers. For example:
 - The costs set out in the paper assume a carbon price of \$NZ50 per m³ without reference to the benefits of such a change e.g. the concomitant creation of sinks as set out in the next bullet point; and
 - The benefits that flow from forestry and especially the potential for large scale afforestation on marginal erosion prone Maori owned lands are now generally accepted. In particular, independent analysis (see below) shows that a \$NZ15 per m³ would enable the owners of those lands to acquire financial partnerships that bridge the development capital gap. As the Consultation Document notes, the various interrelationships are complex and we are the first to acknowledge the need to work through such situations of complexity and ambiguity. However, we do not accept that the degree of difficulty has been shown to be insurmountable.
 - As to cost or levy, analysis by the same economist as has provided the background to the Consultation Document and 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 \$NZ21.48 per annum.

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.

- 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. The Infometrics analysis (2013)⁸ referred to above posits a carbon price of \$NZ15 per m³, t could potentially create 17,000 new jobs across the economy and especially be concentrated in Maori communities.
- A separate study by Scion⁹ (Forest research) assessed that such large scale new afforestation on Maori lands could accumulate and store up to 40Mt of CO₂ per annum. A material contribution New Zealand's international emission reduction obligations.

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

⁸ INFOMETRICS (August 2013). The Contribution of Carbon forestry to the New Zealand Economy.

⁹ Beets. P. (August 2013). Preparation of a national carbon yield table for post-1989 planted Radiata Pine forest on ex-pasture sites

Alliance (GRA) for Agriculture emissions. New Zealand's INDC cannot ignore that technology will play a role in reducing emissions.

- As we have already said, New Zealand should be ambitious. Assuming technology changes bring quicker emissions reductions than planned we should declare those and reset the target. Until we have reasonable probability of commercial scale implementation, the targets should be stretch and incentivize behavior changes, within acceptable tolerances.

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

- A real concern for Iwi 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 the Iwi 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.
- The market for emissions trading of domestic and international units must be clear, explicitly required to deal with certifies units, simple and easily understood. The market needs to be of sufficient scale and

depth that it does not fall prey to the moral hazards that make rent seeking, price manipulation and other behaviors attractive.

- As a Treaty partner, the Crown must engage fully and early with Iwi 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).

Iwi leaders 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 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 our submission.

Kia ora,



pp Selwyn Parata
Chairman
Climate Change Iwi Leadership Group

Cc

Sonny Tau, Haami Piripi, Sir Toby Curtis, Sir Tumu Te Heuheu, Fred Te Miha, Whaimutu Dewes, Chris Karamaea Insley, Roku Mihinui, Pita Tipene, Debbie Birch