

Your submission to Zero Carbon Bill

Reference no: 12770

Submitter Type: Individual

Clause

1. What process should the Government use to set a new emissions reduction target in legislation?

Position

The Government sets a 2050 target in legislation now

Notes

The second half of the century is, obviously, 50 years long. Choosing such a long, almost indefinite, period so far into the future for reaching net zero emissions would be a massive source of uncertainty for the businesses and communities which need to adapt to and mitigate climate change. It would add further to the delays which have allowed CO2 levels to continue to increase even as climate science has become ever more certain and the danger signals of climate change all the more clear.

Clause

2. If the Government sets a 2050 target now, which is the best target for New Zealand?

Position

Net Zero Emissions - Net zero emissions across all greenhouse gases by 2050

Notes

Including greenhouse gases other than CO2 is clearly needed given these make a material contribution to the human-induced warming which the Earth is currently experiencing. Methane is around 100 times more damaging than CO2 so a small amount of methane makes a big difference. However, I note water vapour is a greenhouse gas, and it would not appear practical to include water vapour in a net zero emissions target.

Clause

3. How should New Zealand meet its targets?

Position

Domestic emissions reductions (including from new forest planting) and using some emissions reductions from overseas (international carbon units) that have strong environmental safeguards

Notes

Aotearoa currently emits around 90 million tonnes gross CO2-equivalent per annum, with around 20 million tonnes sequestered from forestry and other activities, giving net annual emissions of around 70 million tonnes. It is not clear that a net zero goal can be achieved from domestic activities (reducing emissions and increasing sources of sequestration) alone. New Zealand should be an open participant in a transparent marketplace for international carbon credits. This will be a form of international trade from which New Zealand and trading partners can benefit. However, we should insist on high standards of quality assurance to ensure tradeable carbon credits are genuine. The community must be able to be confident NZ is not simply buying the cheapest way out of its climate change obligations.

Clause

4. Should the Zero Carbon Bill allow the 2050 target to be revised if circumstances change?

Position

Yes

Notes

While the overall trajectory of climate change is clear, its impact and the timing thereof is not. I see a zero carbon framework as setting Aotearoa on the best possible pathway towards a zero carbon future, but believe the framework needs to be flexible enough to cope with changes to the target if these become necessary. The Bill should state an expectation that any change to the target should be premised on new data and sound science, and describe the process by which such a change would be expected to be proposed, be enacted and implemented.

Clause

5. The Government proposes that three emissions budgets of five years each (i.e. covering the next 15 years) be in place at any given time. Do you agree with this proposal?

Position

Yes

Notes

Rolling 5-year budgets appear to be a sound approach. This would ensure there is always a pathway of 10 to 15 years evident of where New Zealand's expected progress towards zero carbon. This would provide investors with a level of certainty which is beyond the investment horizon for many asset classes, and thus help inform investment decisions.

Clause

6. Should the Government be able to alter the last emissions budget (i.e. furthest into the future)?

Position

Yes - each incoming Government should have the option to review the third budget in the sequence

Notes

Yes, as above some flexibility should be considered, but again the Bill should specify on what basis a change to the budget would be proposed, how it would be agreed and how it would be implemented (e.g. any changes to transitional measures). As I noted in a recent article (<https://www.newsroom.co.nz/2018/07/12/150535/lets-make-tech-work-against-climate-change#>), technology changes which can help us adapt to and mitigate climate change are many and ever-developing. These may provide a rationale for changes in the emissions budget, as may further evidence of the impact of climate change being experienced at the time.

Clause

7. Should the Government have the ability to review and adjust the second emissions budget within a specific range under exceptional circumstances? See p36 Our Climate Your Say

Position

Yes

Notes

What constitutes exceptional circumstances should be specified. It would be preferable to avoid the situation where future Governments are influenced by rent-seekers/ major carbon emitters to seek to change the emissions budget without undue cause.

Clause

8. 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? See p44 Our Climate Your Say

Position

Yes

Notes

These considerations are sound, but the future of workers in industries affected by the transition should also be clearly included.

Clause

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

Position

Yes

Notes

Governments current and future should be expected to publish ahead of each rolling 5-year emissions budget the specifics of how that budget will be achieved, including Government's own emissions, pricing of emissions of businesses and households, support for carbon sequestration initiatives, transitional support, and proposed carbon credit purchases. Such plans should be transparent to the public and consulted on to ensure community and stakeholder support.

Clause

10. 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?

Notes

Industry and community consultation are equally important. Some industries affected by the transition may be expected to oppose emissions reductions, while others may seek overly generous transitional support. Communities affected by climate change (for example, those in coastal communities, those in towns with a high proportion of workers in emissions-heavy industries) need to have the opportunity to be involved, for example through the applicable Territorial Local Authorities. Iwi naturally should be able to contribute fully in the spirit of the Treaty.

Clause

11. 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? See p42 Our Climate Your Say

Position

Yes

Notes**Clause**

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

Position

Makes decisions itself in respect of the number of units available in the NZ ETS

Notes

On balance I would prefer an independent Climate Change Commission which is empowered to make decisions, so long as these are within Government policy (such as the emissions budgets), rather than simply providing advice. The Commission could play a role similar to two existing entities in Aotearoa New Zealand which are empowered to make decisions under a clear regulatory & policy

framework, even if those decisions may be unpopular with the Government of the day, namely the Reserve Bank and the Commerce Commission.

Clause

13. 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? See p45 Our Climate Your Say

Position

Yes

Notes

In addition to the sorts of expertise proposed, it would be desirable to include some technology expertise. New and emerging technologies of many different kinds (including but not just Big Data, Virtual & Augmented Reality, Artificial Intelligence, and Smart Grids/ Internet of Things) are going to have a profound effect on our ability to mitigate and adapt to climate change. These include technology evolutions and changes which are not yet evident to us, and whose consequences can certainly not yet be understood.

Clause

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

Position

Yes

Notes

Adaptation is a massive challenge and needs to be incorporated in the Zero Carbon Bill.

Clause

15. The Government has proposed a number of new functions to help us adapt to climate change. Do you agree with the proposed functions? See p47 Our Climate Your Say

Position

Yes

Notes

These appear to be sensible measures which will be needed to assess risk, form a plan for adaptation, and track the progress of its implementation.

Clause

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

Position

Yes

Notes

Some large businesses, including large emitters and infrastructure owners, are heavily exposed to climate change risk. Firms which are NZX-listed should provide quality information to investors on their response to climate change risks. However, it is not clear that existing sustainability/ corporate responsibility reporting is working well in New Zealand. For example, NZ lags other developed countries on the proportion of major companies reporting on corporate responsibility matters (see <https://home.kpmg.com/nz/en/home/insights/2017/11/corporate-responsibility-reporting-survey-2017.html>). Furthermore, not all relevant firms are publicly listed. For these reasons, a specific adaptation reporting power makes sense. To minimise the reporting overhead, this could be a requirement only of major emitters and firms with climate change risks above a reasonable threshold. Administration could be minimised by making such reporting via existing channels such as the Companies Office or even IRD.

Clause

Do you have any other comments you'd like to make?

Notes

Thank you for the opportunity to make this submission. This is a major challenge for Aotearoa New Zealand. Accordingly it was excellent to see the high quality of the discussion document. The open and timely process for consultation is also welcome. I look forward to the Bill being published later in the year.

You have elected to withhold your personal details from publication.