

Submission on Zero Carbon Bill

2050 target

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

- Provide climate legislation that takes a long strategic view, gives clear policy direction, sets an emissions reduction target within it (zero carbon by 2030) and states how this will be achieved.
- The legislation needs to provide a way for the public to check the government's progress and hold them accountable for it.
- Government needs to be hands on in achieving the target within the timeframe.
- Emissions from transport, industrial activity, agriculture, and all other sources should be included in the target.

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

As New Zealand has so far failed to seriously address its emissions and the problem is now urgent, I support the most ambitious target reduction. But the target should be achieved by 2030 not 2050.

We need to:

- Make impact as soon as possible.
- Aim for negative levels of long-lived gases, while reducing short-lived gases to sustainable low levels as fast as possible. (Latest research suggests methane is becoming recognised as a more problematic policy issue than has previously been thought.)

3. How should New Zealand meet its targets?

With domestic emissions reductions only.

- I do not support any scheme that purchases carbon credits from other countries.
- The purchase of carbon credits from other countries weakens the effort to achieve real reduction in greenhouse gas emissions in New Zealand and elsewhere in the world.

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

The target year should be revised only to advance the target date to an earlier year, not to delay it.

- There needs to be long-term certainty for business and the New Zealand economy.
- If the world climate situation becomes more critical there may be a need to make the target date earlier.

Emissions budgets

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?

Yes, I agree.

- The emissions budgets need to transcend our electoral cycle.
- The 5-year budgets should be set 10-15 years in advance so that three are in effect at all times.

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

No.

- “Economic changes” should not be used as a reason to alter the last emissions budget. As stated earlier in question 4, there needs to be long-term certainty for business and the New Zealand economy.
- Emission budgets should be able to adjust in response to enhanced scientific knowledge, i.e. requiring a need to act more urgently.

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

No.

- “Economic changes” should not be used as a reason to alter the last emissions budget. As stated earlier in question 4, there needs to be long-term certainty for business and the New Zealand economy.
- Emission budgets should be able to adjust in response to enhanced scientific knowledge requiring a need to act more urgently.

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?

I support the Government and the Climate Commission taking account of a number of factors when setting emissions budgets:

- Foremost should be scientific knowledge regarding climate change
- Technological advances relevant to climate change
- A fair and just transition to a low carbon economy that takes into account the effects on low-income New Zealanders
- No assumption of continued economic growth
- Uppermost consideration of moving to an economy that is sustainable within resource and environmental constraints

- The impacts of the decision on taxation, public spending and public borrowing
- Energy policy and the likely impact of a decision on energy supplies and the carbon and energy intensity of the economy.

Government response

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

Yes.

- The United Kingdom's experience shows this is necessary.

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?

- Ultimately it is the policies that count
- Emissions budgets should be at least as important as fiscal budgets, and the Government should set plans to achieve them.
- Policy plans need to be comprehensive, fair, cost-effective, environmentally sustainable, and reflect a commitment to Te Tiriti o Waitangi.

Policy plans to meet emission budgets should take account of:

- The urgent climate crisis we are facing
- Removing the assumption of continued economic growth
- All aspects of society and the economy
- Uppermost consideration of moving to an economy that is sustainable within resource and environmental constraints to be fair to future generations
- Be fair and equitable so that all New Zealanders will support it.

Climate Change Commission

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?

Yes, I agree.

- The Commission should not be a decision-making body but be strong enough that its recommendations cannot easily be ignored.
- It should advise on targets and policy planning.
- It should monitor emissions and give advice to keep New Zealand on track for achieving its emissions reductions goals.
- The Government should have to publicly respond to and provide rationale when it deviates from the Commission's advice.

- If the Government chooses to act contrary to recommendations coming from the Climate Commission, this action should be subject to judicial review.
- The Commission should also act as an independent watchdog, publishing progress reports and highlighting problems.

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

- I support the introduction of a carbon tax rather than maintenance of the current NZ ETS and would hope that the Commission will recommend the most effective form of such a tax.
- Whatever mechanism is chosen to put a price on carbon, I support the Commission making recommendations for this mechanism but the implementation of such a mechanism should be the responsibility of the Government.
- The Commission needs to ensure all co-benefits (such as reduced traffic congestion, noise and local air pollution, improved health, increased productivity on farms) are costed into future analyses of climate policies and measures.

I think Bronwyn Hayward's comments on this are pertinent:

It is important, "that any Commission and associated Climate Act does not lock in place any one policy tool. At present, there is still some strong residual support in NZ for example for an Emissions Trading Scheme as a major plank of NZ's future climate policy. Some of this comes from years of previous investment in expertise in this area but this inertia can make nimble policy shifts harder.

"Governments who rely on a carbon trading scheme are likely to find this tool becomes more and more expensive, if we invest in offshore carbon saving schemes rather than invest in our own greenhouse reductions or becoming a place the world invests in regional development in NZ. There is a significant risk that over the long term the cost of Emission Trading Schemes will undercut gains in other trade areas over so governments must have the flexibility to choose the tools."

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?

The commission needs capability, credibility and influence, as noted by Catherine Leining, Motu Economic and Public Policy Research.

I agree with the following collective expertise being available either through the Commissioners or their technical advisers:

- Climate change policy (including carbon tax/emissions trading)
- Resource economics and impacts (including social impacts, impact on socio-economic equity and ways of achieving a fair and just transition)

- Te Tiriti o Waitangi and Māori interests
- Climate and environmental science
- Experience with addressing adaptation challenges like planning, insurance and local government

- Risk management
- Engineering and/or infrastructure
- Community engagement and communications
- Business competitiveness
- Knowledge of the public and private innovation and technology development system.

Again, I find Bronwyn Hayward's comments pertinent:

"The Commission also needs to be served by a strong secretariat. It's a mistake to think the Commissioners themselves will do the science, those appointed must be credible significant thought leaders rather than sector advocates. While the PCE is right to point out the diversity on the UK committee, it goes beyond economic voices. The new Paris Agreement requires countries to consider climate emissions in the context of sustainable development and poverty eradication, so having an understanding of issues confronting Māori and Pacific and local communities is also essential.

"But it is better to think of the commissioners as trustees monitoring the quality of the advice and setting the general direction, not doing research themselves. My other basic concern is our pool of senior people who can serve in this way is very small and many of these New Zealanders are already heavily committed internationally, making a strong secretariat more important."

Adapting to the impacts of climate change

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

Yes, definitely.

- This will very likely require a separate adaptation sub-committee within the Climate Commission.
- There needs to be a national adaption strategy and regular national-level risk assessments

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

I agree with the proposed functions below:

- a national climate change risk assessment
- a national adaptation plan
- regular review of progress towards implementing the national adaptation plan

- an adaptation reporting power

Local authorities and community and sector groups should contribute to discussion on how this is done.

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?

Yes, we should.