

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? Yes

1b. What is most important to you?

In my view, having a fair and ambitious contribution is the most important criterion. Ambition means pushing beyond what we can 'get away' with - we should not have to fall back on the claim that we are doing 'our fair share'. Any contribution which, scaled up globally, would not be sufficient to meet the target of limiting warming below 2 degree is by any definition unambitious. Any contribution below this level, therefore, violates the first, and in my opinion the most important objective set by the government.

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?

It will be difficult to reduce emission in some of our major sectors, although certainly not impossible. One of the best ways to reduce emissions in agriculture is to reduce livestock numbers (or more accurately, reduce the current pressure to increase land-use intensity, particularly in the dairy sector). This drive towards intensification is driven by Fonterra's goals of controlling larger portions of the global dairy trade. This seems good for Fonterra, but whether it is good for farmers is far less clear. Many farmers are now operating in millions of dollars worth of debt trying to sustain high input systems in what is clearly a volatile market. Furthermore, a number of economists and academics have pointed out that moving to high input systems may be eroding the eco-efficiency and comparative advantage of our historically pasture-based systems. We now import more than a million tonnes of palm kernel extractor each year as supplemental feed - an amount that has increased 10-fold in as many years. Reining in the intensification drive would be a straightforward way to control the increase in agricultural emissions while providing numerous additional benefits. To imply that New Zealand is unable to reduce emissions from our major export sectors would be misleading.

Focussing on industries like agriculture also ignores lower-hanging fruit. Our energy sector is already largely renewable (a result of circumstance rather than effort). It would also be false to suggest that we no-longer have easy gains to make in increasing our renewables share. In fact, this share is continuing to increase without any centralised 'effort', driven by the changing economics of energy. In this case it seems that the fruit isn't just hanging low - it's falling off the tree. In the words of Simon Bridges - we have a renewable energy 'advantage'. In this sense, I think that the nature of new Zealand's emissions and economy should allow us to set an ambitious contribution.

How will our contribution affect New Zealanders?

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

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It would be interesting to average the responses you receive for this question and compare these suggestions to the actual amount required to reduce emissions in line with meeting the 2 degree objective. I suspect that people would suggest far more than is necessary. By my understanding of the scale of the problem globally, and the amount of global GDP that would be required to finance ambitious mitigation action, the actual reduction in annual household consumption that could finance the emissions reductions we require would be surprisingly small. (I don't have the figures at my fingertips, but I'm sure Treasury have some idea of what they are).

As a straightforward answer from me, I would be comfortable with anything up to a 10% decrease in annual household consumption (in economic terms) - in fact I would gladly accept this given the benefits I would likely receive from ambitious mitigation efforts over my lifetime. But as I say, I suspect this would be far more than what the task would actually require.

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? Increasing our level of renewable energy generation and encouraging an increase in electrical energy demand through electrification of the vehicle fleet (both private and commercial). We have already have a comparative advantage here which could turn into a highly lucrative speciality if we provide the right. The co-founder of Tesla (a New Zealander) has shown that fully electric trucks can be competitive with traditional diesel trucks. The University of Auckland has a world-leading research department working on induction power - they have shown that contactless charging of electric cars is feasible, and they are now working on induction powering of buses. In my opinion, these new technologies not only provide ways through which we can reduce our emissions, they could foster highly valuable niche technology markets.

Summary

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

The uncertainty so-far has generally been positive uncertainty. The price of solar has reduced much more quickly than we once thought it would, many did not expect EVs to become competitive as quickly as they have. As a completely different example, there was widespread pessimism during the oil crisis in the 1970s, yet the economic incentives for exploration manages to solve that problem (perhaps too effectively as it turns out). The point is that given conditions of necessity and economic incentives, the uncertainty seems to be on the positive side of the problem rather than the negative side. In this sense, I don't think that uncertainty should in any way reduce the ambition of the target we set.

Further to this, many of the emissions reduction opportunities described in the discussion document (and some of those I have mentioned) are robust to the uncertainties around future technologies and costs. What I mean by this is that many have substantial co-benefits which we will enjoy regardless of whether their emissions reduction capacity is necessary or sufficient.

Other comments

6. Is there any further information you wish the Government to consider? Please explain.
So far this submission process has channelled responses towards a technical discussion and has been fairly light on questions of morality. This misses what is in my opinion the most important point in the discussion of our 2020 target.

We should set a target in line with achieving the 2 degree objective because it is the right thing to do.

This point is not too simplistic to inform policy. Our Prime Minister became very animated earlier this year justifying

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the assignment of troops to Iraq using exactly the same argument. I think that the moral argument behind taking ambitious climate change action is one of the strongest there is. What's more, I think it's one that New Zealanders identify with. We should be acknowledging this moral aspect at all levels, rather than disproportionately focussing on why addressing climate change is difficult.