Submission on New Zealand's post-2020 climate change target

To: Hon Tim Groser, Minister for Climate Change Issues

From: Philip Jones, [redacted]

PLEASE NOTE: I DO NOT WANT MY PHYSICAL AND EMAIL ADDRESSES TO BE MADE PUBLIC.

Dear Minister,

I am a New Zealand citizen, writing in a personal capacity, and as a father of a three-year old daughter. Thank you for providing an opportunity to contribute to this most important matter.

By signing up to the UNFCCC's Copenhagen Accord, your Government has accepted the science behind anthropogenic climate change, and that mean global temperature increases need to be kept below 2 degrees Celsius in order to avoid dangerous climate change and its concomitant deleterious effects on human civilisation. The climate target discussion document notes this, and also mentions the global carbon budget. This shows that, at current rates of global carbon emissions, we will use up the budget by 2035.

The acceptance of the carbon budget demands urgent and strong action to reduce greenhouse gas emissions by all countries, and especially developed countries like New Zealand. It is widely recognised that developed countries need to be approaching net zero carbon status by 2050.

Therefore, New Zealand needs to set a post-2020 target (i.e. 2030) within an overall strategy and plan to reduce net emissions to zero by 2050 or thereabouts. This suggests that a target of 40% reduction below 1990 levels is required.

Key point 1 - a target of 40% reduction below 1990 levels by 2030 is required, within the context of an overall strategy to move to zero carbon by 2050 or thereabouts.

There is no doubt that moving to zero carbon by 2050, and 40% reduction by 2040, is very challenging. This will not be achieved if we continue to have a confrontational approach within politics to this issue. A consensual approach is essential, involving government, business and civil society. I don't under-estimate the challenge in reaching this consensus! But, other countries have taken the lead in trying to remove, as far as possible, politics from this matter. The most obvious example is the UK, which has legislated carbon reduction targets, and established the independent Committee on Climate Change to oversee progress towards these targets. New Zealand should follow this lead.

Key point 2 – New Zealand should establish an independent climate change commission (or suchlike) and have legislated carbon targets.

Such an entity would be well-positioned to conduct a thorough cost and benefit analysis of climate change. The modelling used for the discussion document is extremely limited in scope. It presents a false view of the economic situation, by omission of various key variables, including the costs of inaction (from climate change effects) and the benefits of action (such as lower health costs).

There is well-respected research which concludes that there are net economic benefits of taking action. Most prominent is the work by the Global Commission on the Economy and Climate, and its New Climate Economy Report, released in 2014, which found that countries can improve their economic performance while cutting emissions. The Chair of the Bank of America, the head of the OECD, the World Bank, the Vice Chair of Deutsche Bank, and many others, endorsed this finding. With our economy's dependence on primary production and tourism, it is imperative that we better understand costs and benefits.

Even though I contest the validity of the data on household consumption in the discussion document, I would be prepared to accept the lower household consumption associated with the 40% reduction.

Key point 3 – The economic analysis included in the discussion document is inadequate and mis-leading, as it excludes the costs of inaction and the benefits of action. A thorough cost and benefit analysis should be undertaken.

The Government deserves credit for its contributions to research into agricultural emissions reduction, and the recent announcement that initial results into reducing emissions from enteric fermentation are positive.

But the overall policy settings do not promote a move to the zero carbon economy, and indeed there is forecast growth out to 2030. For example, there is little evidence that there is policy to address some of the key activities contributing to emissions growth (1990 to 2012), such as diesel use in road transport (up 281%), coal use in electricity generation and heat production (up 469%), and conversion of forested areas to pasture grassland (up 1555%).

There is a need for the move to a low carbon economy to be reflected in government policies. There is plenty of evidence from overseas that 'clean' technology solutions do exist, and are being implemented. For example, the revolution in solar photovoltaics and electric vehicles. With a favourable policy environment, and given our high renewable generation levels, both these technologies can contribute to significantly reducing New Zealand's transport emissions (currently 17% of all emissions) by 2030.

Key point 4 – The move to a low/zero carbon economy is more of a policy problem than a technology problem. Carbon reduction should be one of the main factors in Government policy setting and this would support a 40% reduction target.

The Government also deserves credit for its involvement in international efforts to eliminate fossil fuel subsidies (currently estimated to be $600bn, compared with only $100bn for 'clean' technologies).

Another key requirement, to achieve the global climate objective, is divestment away from fossil fuel investment. The comprehensive carbon assets analysis undertaken by the UK's Climate Tracker Initiative shows that most fossil fuel assets cannot be used (burned) if we are to stay under the agreed 2 degrees Celsius limit. This finding is widely accepted by authoritative sources, including by the International Energy Agency (IEA): "*No more than one-third of proven reserves of fossil fuels can be consumed prior to 2050 if the world is to achieve the 2 °C goal."*

Clearly, given the scale of current investment in fossil fuel energy companies, divestment needs to be a managed process. The Government could play a role by working with sovereign funds (e.g. Super Fund, ACC) to develop a plan to divest away from fossil fuels. Currently the Super Fund lists close to $1 billion investment in fossil fuel energy-related companies. New Zealand should follow the lead of the Norwegian Parliament who recently instructed its state pension fund to divest from companies with significant interests in coal.

Key point 5 – The Government should use its influence to remove fossil fuel subsidies, and to implement a plan to divert sovereign funds away from investment in fossil fuels.

New Zealand has a tradition and reputation for leading the world in 'doing the right thing', from giving women the vote in 1893, to going nuclear free in the 1980s. It could be said we have an even stronger moral imperative to lead action on the climate change issue, in recognition of our duty to our Pacific island neighbours.

With this reputation, and our new status as a permanent member of the UN Security Council, we have the 'mana' to play a leading role in promoting effective climate change action. The security risk from severe climate change is recognised by many respected organisations, including the US military.

Key Point 6 – Make use of New Zealand's reputation and UN status to promote effective climate change action on the international 'stage'.

For the sake of future generations, I urge you and the Government to do all in its powers to take the necessary action. And finally, in the interests of transparency, please publish the results of the consultation and the resulting advice to Minister(s).

Yours sincerely,

Philip Jones

References

Climate Tracker Initiative – http://www.carbontracker.org/library/#carbon-bubble

Global Commission on the Economy and Climate - http://newclimateeconomy.net/content/global-commission

New Zealand's Greenhouse Gas Inventory 1990–2012 - http://www.mfe.govt.nz/publications/climate-change/new-zealands-greenhouse-gas-inventory-1990%E2%80%932012

New Zealand's Sixth National Communication under the UNFCCC and Kyoto Protocol - http://www.mfe.govt.nz/sites/default/files/sixth-national-communication%5B1%5D.pdf

New Zealand Superannuation Fund Listed Equity Holdings as at 30 June 2014 - https://www.nzsuperfund.co.nz/publications/annual-equity-listings.