

DISCUSSION DOCUMENT ON
NEW ZEALAND'S CLIMATE CHANGE TARGET: OUR CONTRIBUTION
TO THE NEW INTERNATIONAL CLIMATE CHANGE AGREEMENT

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This submission on the Discussion Document (the Document) is made on behalf of the Labour Party (NZLP) by Dr Megan Woods MP, Labour Climate Change Spokesperson, Parliament Buildings, Wellington (ph: 04 817 6618, email: megan.woods@parliament.govt.nz).

Key points

1 New Zealand would appear to be limited in the action it can take to lower its agricultural methane emissions, short of significant technical breakthroughs. But we should certainly aim to have ambitious targets on lowering carbon dioxide emissions from energy use, including transport. In principle, those targets should be at least comparable to what the EU has undertaken to do within its overall target of a 40% GHG emissions reduction below 1990 levels by 2030.

2 In order to arrive at an enduring and meaningful emissions reduction target for New Zealand's intended nationally determined contribution (INDC), we think that fully-informed, and inter-active, public hearings should be held before a final decision is made on an overall target, or for that matter on targets for particular sectors or gases.

3 While appreciating the opportunity to submit on this most important issue, the NZLP is disappointed with the quality of the government's consultation on it. The process has had a somewhat pro forma feel to it. Nonetheless, the public meetings held were well attended by people who care deeply about the issue. But there was a paucity of detailed information provided on which they could form a clear view as to New Zealand's future greenhouse gas (GHG) emission targets.

NZLP's position on climate change

4 The NZLP regards climate change as the most critical sustainability issue of our time. Climate change is posing a severe threat to the planet and to the future of humans and other species – and must be tackled urgently and effectively through a low-carbon economy and a comprehensive international climate change agreement.

5 New Zealand must transition away from an economy heavily reliant on fossil fuels to one based on clean energy, green technology, and being low-carbon. The currently ineffectual emissions trading scheme (ETS) must be restored so it does what it was intended to do – put a price on carbon that assists the transition from carbon-polluting goods and services towards low or zero-carbon options. This would incentivise behavior that would make a real difference to our gross emissions and, through the forestry sector, our net emissions.

6 Complementary measures must include support for renewable energy and low-carbon technologies, a focus on energy efficiency, a clear strategy for forestry, much improved public transport, and support for alternatives to road freight (such as rail and coastal shipping). And research and development into reducing emissions must be promoted.

7 The transition will future-proof the New Zealand economy, in part through the opportunity to leverage our natural strengths in a world demanding low-carbon technologies, goods, and services. For example, we can take advantage of our international reputation in renewable energy and innovation. There is potential for both environmental and economic gains.

8 Such a major economic transition needs to be just and carefully managed to avoid shocks. In particular, it must ensure that low-income households and small businesses are not disproportionately impacted.

Features of the Discussion Document

What the Document tells us

9 The Document points to the gravity of the climate change crisis. If GHG emissions continue to increase at the current rate for a few more decades, we are likely to see average global temperatures warm by more than 4⁰C above pre-industrial levels by 2100. This would have “substantial” environmental, economic and human impacts worldwide.

10 The NZLP considers “disastrous” to be a more accurate description than “substantial”, given the land inundation, population displacement, food production disruption, and conflict that would inevitably ensue.

11 The Document notes that the world’s nations have already agreed it would be dangerous to allow global temperatures to rise by more than 2⁰C above pre-industrial levels (and they have already risen nearly 1⁰C). At current emission rates, there would by 2035 no longer be a good chance of keeping global warming within the 2⁰C threshold.

12 The Document reveals that the financial impact of reasonably ambitious emissions reductions on average annual New Zealand household consumption (in \$ terms) is relatively modest. Even with a 40% reduction below 1990 emissions levels by 2030, consumption would be 14.0% higher (in 2027) than currently – whereas with no target at all, it would be 16.4% higher.

13 A disquieting disclosure is that the government is likely to need, and will be seeking to secure, international carbon market access to help meet its overall emissions reduction target (apparently for whatever level of target). It would be of great concern if New Zealand were to use cheap international emission units of questionable quality as a substitute for vigorously pursuing the decarbonisation of our economy.

What is missing from the Document

14 Overall, the Document seems more focused on the costs of taking action, than on the costs of not doing so (together with the opportunities foregone). Also, some important information is missing.

15 The Document does not propose any specific emissions reduction target, or targets. Nor does it mention the government's existing target of a 50% reduction in emissions below 1990 levels by 2050 (the -50 by 50 target) – or spell out what a decarbonisation pathway towards that target might look like.

16 There is no discussion of whether different targets might be appropriate for different gases. For methane, there is no acknowledgement of the issue as to whether its currently assumed carbon dioxide equivalence is appropriate.

17 A particularly important piece of missing information is a graph from the 2014 *Briefing for the Incoming Ministers* from the Ministry for the Environment. That graph (on p 22 of the BIM) shows a stark and growing gap between projected GHG emissions out to 2040 and what the -50 by 50 target would require – with projected emissions being over double what they would need to be.

Labour's view of New Zealand's INDC targets

18 The NZLP wants ambitious emissions reduction targets in New Zealand's INDC out to 2030 and beyond, but a clear plan must be developed if they are to be achieved. Central to this would be the establishment of an independent climate commission, which would establish a carbon budgeting process for achieving emissions reduction targets.

19 A carbon budgeting process based on, for example, a five yearly budget cycle would remove the short-term thinking of a three year electoral cycle. It is imperative that the process be independent of the government of the day. Advice and recommendations must be able to be put in the public arena fearlessly and promptly, free of Ministerial or political influence or direction.

20 The INDC targets should be based on what is required to keep global temperatures below the 2°C threshold, and on the global warming potential of the GHGs that we emit. And it should fairly reflect our currently disproportionate contribution to global GHGs – 0.15% of global GHGs (according to the Document) from 0.06% of the world's population.

21 In order to arrive at an enduring and meaningful emissions reduction target for New Zealand's intended nationally determined contribution (INDC), we think that fully-informed, and inter-active, public hearings should be held before a final decision is made on an overall target, or for that matter on targets for particular sectors or gases.

22 New Zealand would appear to be limited in the action it can take to lower its agricultural methane emissions, short of significant technical breakthroughs. But we should certainly aim to have ambitious targets on lowering carbon dioxide emissions from energy use, including transport. In principle, those targets should at least be comparable to what the EU has undertaken to do within its overall target of a 40% GHG emissions reduction below 1990 levels by 2030.

23 An important factor in New Zealand's approach to the issue should be our responsibilities to our low-lying South Pacific neighbours, for whom the effects of climate change are coming early and will be particularly profound.

24 GHG reduction targets and associated climate change policies are necessarily of a long-term nature, and need to be enduring across changes of government. There needs to be a regulatory framework that provides emitters with future certainty about the rules. The NZLP has been committed for many years to achieving a lasting consensus among New Zealand's main political parties on the ETS and other measures. It is really important that such a consensus be achieved. Our door is open.