

About the New Zealand Nurses Organisation

NZNO is the leading professional nursing association and union for nurses in Aotearoa New Zealand. NZNO represents over 47,000 nurses, midwives, students, kaimahi hauora and health workers on professional and employment related matters. NZNO is affiliated to the International Council of Nurses and the New Zealand Council of Trade Unions.

NZNO promotes and advocates for professional excellence in nursing by providing leadership, research and education to inspire and progress the profession of nursing. NZNO represents members on employment and industrial matters and negotiates collective employment agreements.

NZNO embraces te Tiriti o Waitangi and contributes to the improvement of the health status and outcomes of all peoples of Aotearoa New Zealand through influencing health, employment and social policy development enabling quality nursing care provision. NZNO's vision is *Freed to care, Proud to nurse.*

EXECUTIVE SUMMARY

1. The New Zealand Nurses Organisation (NZNO) welcomes the opportunity to comment on the New Zealand Emissions Trading Scheme Review 2015/16 ("ETS review").
2. This submission is informed by consultation with members and staff, including NZNO nursing members who are actively involved in Ora Taiao: the New Zealand Climate and Health Council, and nursing, policy, industrial and research advisers.
3. Climate change is a global health issue and in keeping with calls from the World Health Organisation, International Council of Nurses and other health organisations, NZNO is committed to reducing its own carbon footprint, severing fossil fuel investment and advocating for meaningful individual, professional and regulatory responses to climate change.
4. NZNO is affiliated to the New Zealand Council of Trade Unions, and is a member of its environmental group. We support its submission and that of Ora Taiao.
5. This submission focuses primarily within our scope as healthcare workers. Our interest on the topic of the ETS is that the evidence shows climate change will have an overall negative impact on health in New Zealand, and that this impact on health must form a vital part of determining a target for climate change emissions in New Zealand.

6. Beyond this we are concerned that the health impacts of climate change will not be shared equitably amongst our population, and that Māori will be particularly vulnerable to the negative health impacts of climate change.
7. We are particularly concerned that the Government is not taking seriously the health risks expected with climate change or the health benefits of emission reductions
8. We take this opportunity to recommend that Aotearoa New Zealand take every action possible to reduce all aspects of our climate change emissions profile in order to prevent the negative health impacts associated with climate change, and to put in place policy and infrastructure to ensure that the health and wellbeing of all New Zealanders forms a significant part of decision making processes relating to climate change.
9. As nurses we hold an emphasis on evidence-based decision making.
10. The scientific evidence is clear that anthropogenic climate change is occurring as a result of the emissions of climate change gases by humans. There is a greater scientific consensus that climate change is anthropogenic than there is for the link between smoking and cancer.
11. The evidence is also clear that climate change will bring negative impacts on the health of human populations, including the health of the population in Aotearoa New Zealand. The World Health Organisation names climate change as one of the biggest threats to human health of the 21st century. The costs of climate inaction on the health of Aotearoa New Zealand will be substantial.
12. Climate change will impact health in Aotearoa New Zealand through an increase in extreme weather events, changing patterns of infectious diseases, food and water shortages, forcing migration, and causing a loss of livelihood. Current predictions suggest that children born today will live into 4°C of global warming, creating a change in climate so severe that adaptation is uncertain.
13. These health impacts will not be distributed equitably amongst the population in Aotearoa New Zealand, but will affect Māori, low-income households, and rural areas the hardest.
14. It is with these points in mind that we discuss the questions presented in the submission form.

CONSULTATION QUESTIONS

Context and drivers for the review

1. Do you agree with the drivers for the review?

15. Yes

16. With the signing of the Paris Climate Agreement it is essential to review what can potentially be an effective tool to meet or better the targets committed to in the Paris Agreement. The ETS needs to put a fair price on carbon to be effective, and transitional measures have acted contrary to this.

2. What other factors should the Government be considering in this NZ ETS review?

17. There needs to be a full and comprehensive plan to remove carbon intensive industries from the economy. The ETS cannot be the only tool to reduce carbon emissions for the economy, and so this review should coincide with/involve other measures that seek to meet or better our 2030 targets.

Moving to full surrender obligations

3. Should the NZ ETS move to a full surrender obligation for the liquid fossil fuels, industrial processes, stationary energy and waste sectors?

18. Yes

19. NZNO believes we should move to a full surrender obligation. This would incentivise emitters to move away from a dependence on fossil fuels. The objectives of the ETS will be better met by a removal of the two for one deal as this will aid a reduction in net emissions and assist with meeting Aotearoa New Zealand's international obligations. Making this move now will reduce the long term cost of meeting our 2030 target. Higher carbon prices are already in place in other countries and Aotearoa New Zealand does not have time for 'transition measures'. Taking strong action now on reducing emissions will reduce the harmful effects of climate change and therefore have a positive influence on health outcomes.

4. What impact will moving to full surrender obligations have on you or your business?

Please include specific examples or evidence of the impacts on you or your business of:

a) **increased carbon prices, including actions to reduce emissions and future investment decisions. Please comment on effects that may occur at carbon prices ranging from \$5 to \$50, including any evidence of actions taken previously when carbon prices were higher.**

20. NZNO cannot comment on specific costs for the health sector because that information is not available. However, we can surmise that the consumption carbon footprint of the health sector is high and includes emissions from building energy use; travel to and from sites; goods and services purchased by providers, waste disposal etc. This indicates the potential for costs to be impacted by carbon process. However, it also indicates what, unaccountably, the ETS Review does not take into consideration, and that is the potential costs of doing nothing, and the appreciable cost reductions from the health benefits of moving to more efficient, low carbon emissions operating model.

21. We strongly recommend to your attention the work of the Sustainable Development Unit funded by the NHS England and Public Health England to work across the NHS, public health and social care system. Globally, considerable attention is being paid to win-win initiatives of reducing carbon emissions and direct health sector costs with the additional bonus that many of these also have significant health benefits. A higher carbon price encourages such innovation. We also note that it is disappointing that decades after the Kyoto protocol that we are not much further on in terms of full carbon accounting for businesses and public services.

b) **any NZ ETS administrative or operational issues, for example the option for participants to apply for a unique emissions factor.**

22. There are unlikely to be many cases where exemptions are necessary. These should not be given for economic reasons.

5. If full surrender obligations are applied, when should this be implemented?

a) 2016 (or as soon as possible)

Outline the reasons for your answer, and include any comments on the pros and cons of applying an increased surrender obligation to a partial or a full NZ ETS reporting year.

23. With low oil and carbon prices it would currently be comparatively easy to move to full surrender obligations, as both oil and carbon prices cannot be sustained at these low levels. The carbon price in particular needs to rise above \$15 to actually stimulate forest plantings to sequester emissions, full surrender obligations will lift carbon prices over the artificially low prices that exist currently.

24. Applying full surrender obligations is a real action the government can take in respect to the agreement signed at Paris. Additionally, applying full surrender obligations will show real and material effects quickly, which helps greatly for meeting targets set for 2030.

Managing the costs of moving to full surrender obligations

6. If the NZ ETS moves to full surrender obligations, should potential price shocks be managed?

25. Yes - with reservations

If potential price shocks associated with moving to full surrender obligations should be managed, how should this be done?

a) maintain the fixed price option at \$25

26. This should only be short term to manage any large initial price shocks. The fixed price option cannot be left at \$25 as this is not a reasonable nor representative price. The fixed price should either be removed once prices have stabilised or gradually increased to a true and representative price.

b) lower the fixed price option

27. This is not an acceptable option and would lower the price of carbon. The fixed priced option needs to be progressively removed or represent the true representative cost of emissions.

c) gradually move to full surrender obligation

28. The move to a full surrender obligation needs to happen as soon as possible so that effects come in sooner. If a move to full surrender obligations must be delayed, then gradually stepping it in is a potential compromise. Our strong preference is for an immediate introduction of full surrender obligations.

d) other methods.

29. The large accumulation of banked units are likely to buffer the shock of moving to full surrender obligations in any case. Potentially the free allocation of units needs to be reduced, if only temporarily to better manage the transition to full surrender obligations.
30. Urgent action to lift the price of carbon now to a representative value that stimulates the planting of forests. This could happen by setting a minimum price, of about \$15.

8. If the \$25 fixed price surrender option value should change, what should it change to and why?

9. The United States EPA suggests NZ\$60 as a price representing the social cost of carbon. Leaving it at \$25 will reduce the effectiveness of full surrender obligations, while raising it will have a minor impact on the economy.

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