Consultation on setting New Zealand's post-2020 climate change target

Copy of your submission

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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?
The NZ public's perception of the scale, legitimacy and impact of Climate Change remains divided, unconvinced and poorly informed. Worse, rejection of Climate Change as a marginal philosophical issue is particularly strong among the leaders of many of New Zealand's businesses, where it matters most.

As long as doubt and uncertainty exists with the general public and business leaders, meaningful policy will continue to be rejected and reduction efforts will remain either coincidental or at the fringe.

The existing Emissions reduction target has failed to engage New Zealanders and businesses in a serious effort to reduce emissions.
Therefore the objective of the new target should not be to lead the global response to emissions; it should be to provide leadership to New Zealanders. Our target should send a clear message to ourselves that we believe in the problem, that we need to solve it, that we know how and that our Government is behind us.

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?
The target we set should not be influenced by the large proportion of agricultural emissions in our national total. No country is going to present their climate change opportunities as easy, low-cost or universally applicable. Every country will argue that their own situation is particularly unusual because of stages of economic development, size, recent events, technological uptake, geopolitical influences or the structure of their economy. For New Zealand to argue in a global forum that it is especially difficult for us to reduce CO2-e emissions would be pathetic. Here is a country that sources considerable pride (and economic return) from its ingenuity, green image and agricultural prowess, saying that it's too hard to innovate in farming.

Solutions for reducing CO2-e emissions from agriculture are still in their infancy, therefore it is reasonable to suggest that this sector's limits on absolute volumetric emissions in the future will contain some uncertainty. But that is why limits are set far into the future; to provide the impetus for innovation and to set timeframes that reflect the underlying issue being addressed, so that the urgency of innovation matches the need for a solution. Recent history has shown that unless this policy based impetus is provided, farming practices and technology will continue to ignore their impact on the climate.

We should therefore see the lack of innovation in climate sensitive farming practices as a superb opportunity for NZ to innovate and to export our solutions, and at the same time to reduce our emissions. We should not be using it as

an excuse to hide behind; that is not who we are.

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?
*Please note that this is an enormously leading question that is not suitably worded for a well-balanced debate.

Underpinning this question is the assumption that addressing climate change is a cost that society needs to bear. This assumption stems from a highly conservative, out-dated and narrow-minded economic modelling process which has been challenged again and again on a global stage, most pre-eminently by Lord Nicholas Stern. For example, put simply in the Stern Review: The Economics of Climate Change, Summary of Conclusions; "the benefits of strong and early action far outweigh the economic costs of not acting".
https://unfccc.int/files/meetings/dialogue/application/pdf/wp_20_add.1_e.pdf

Energy efficiency is one example of an opportunity that is patently neglected by the climate change discussion in New Zealand. This is extremely disappointing given our membership of the International Energy Agency, who released the following in the Executive Summary of the Energy Efficiency Market Report 2014: "Energy efficiency savings … in 2011 in these 11 IEA countries were larger than the total final consumption of the European Union … for that same year" (page 16). The 11 countries were: Australia, Denmark, Finland, France, Germany, Italy, Japan, the Netherlands, Sweden, the United Kingdom and the United States. For New Zealand to claim that such energy efficiency opportunities do-not, or no longer exist for ourselves when placed in the company of countries such as these is simply laughable. The opportunity in New Zealand is readily reaffirmed by any professional member of the energy efficiency industry including those from Pioneer Generation or EECA Business.

The absence of a serious energy efficiency consideration in the debate is made even more poignant by the types of analysis done, for example by McKinsey Consultants (Energy Efficiency: A compelling global resource 2010) on page 15 in Exhibit 7 which show that energy efficiency measures have a negative cost of abatement, or, in other words a net positive effect on the economy.

In short then, New Zealand should not be willing to accept that abating climate change will have a net negative impact on our economy in the medium to longer term. As a significant structural change is required of the global economy, there will inevitably be costs borne by New Zealanders (and all people) in the near term. These costs are a necessary motivation for the structural change that is required, and where applied correctly can be readily offset by improvements in efficiency and new business opportunities. Lower income households and those that are more vulnerable to cost increases in the short term should be assisted (but not completely protected) from these costs so that they, along with the rest of the economy are allowed a sufficient and socially acceptable amount of time to adapt as well.

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?
Relative to other economies, New Zealand is superbly placed to benefit from a leading international reputation for abating emissions. Energy efficiency is the most important and should be New Zealand's primary energy-related focus. Not only does energy efficiency make our industry more competitive, it reduces our reliance on imported fuels, improving our Terms of Trade and our energy security. Structural and technological changes to transport (which should also be described as energy efficiency) are also crucial. This includes electric vehicles, but also mode-shifting to types other than personal vehicles (car sharing schemes, bicycles, public transport, walking etc).

Reductions in agricultural emissions are relatively undeveloped and therefore present a large and crucial

opportunity, which themselves are likely to also improve water quality. We are perfectly placed to take the lead on this area of research and development.

NZ already commands an environmental premium on its food products, the export of which represents approx. 19% of GDP (www.nzte.govt.nz). The meat and dairy industries both market their products on this basis. By positioning itself as a determined actor on climate change, NZ will secure its international reputation on environmental issues and thereby help to secure greater margins on its food exports.

The same benefits also apply to tourism, which contributes 4% of GDP. NZ markets itself under the 100%Pure brand, and is known for its anti-nuclear, anti-whaling stance. In the future this reputation will depend-on and be enhanced-by also having a defensible climate-change policy.

While we have a high proportion of renewable electricity generation, this can still be significantly improved. In particular NZ has developed prowess in the field of geothermal technology that is already being exported, and proves that the development of expertise in low-carbon technology is an export opportunity for NZ. New Zealand is also extremely well placed to further develop capabilities in biofuel and biomass production, which can help utilise assets in declining industries such as pulp and paper. Finally, we are also ideally placed to aid in CO2 sequestration through sustainable forestry and land management.

As an innovative, sophisticated agricultural country that already capitalises on the benefits of a 'green' international reputation, we are ideally placed to push this further (and to protect our current position) through a progressive carbon policy.

Summary

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

New Zealand cannot lead the global effort to reduce emissions. This is ultimately up to the largest global economies. We should therefore be willing to set an unconditional, but modest minimum domestic target that is based on what we believe it will take to realise the value of a decarbonised NZ economy in the future, as well as what we believe is a morally defensible contribution to a severe environmental issue. However, we should also be willing to match the contributions of the EU conditional on a binding agreement that includes Australia, the US and China.

Other comments

6. Is there any further information you wish the Government to consider? Please explain.

Imagine growing food in a NZ where a typical annual cycle includes a tropical cyclone, a severe drought and a polar vortex.