

# Climate Defence Network (New Zealand)

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**30 March 2007**

## **Submission to the New Zealand Government on the five Climate Change policy discussion documents.**

CDN is a network of organisations and individuals concerned about the need to prevent destabilising climate change. It includes: Environment and Conservation Organisations ECO, the Environmental Defence Society, Cycling Advocates' Network, Forest and Bird Protection Society, Federated Mountain Clubs, Friends of the Earth NZ, Greenpeace NZ, Gecko, Pacific Institute of Resource Management, Public Health Association, Ecoaction, Alternative Technology and Lifestyle Association, Nelson Environment Centre, Engineers for Social Responsibility, the Sustainable Energy Forum and WWF.

CDN welcomes the opportunity to make this submission.

### **Further consultation:**

While 30 March is the end of the submission period, it is essential that it not be the end of the process of consultation and engagement. To be effective, these strategies must be revisited, revised and updated frequently. CDN is keen to work with the Government and with officials, as our resources permit, to ensure that this is the case.

## **INTRODUCTION**

### **A reminder of why we need to address climate change: the science.**

Since the Government published its discussion documents for climate change policy, the IPCC has released its latest review of the science.

CDN considers that it is worth reminding the Government of the latest findings:

- CO<sub>2</sub> has increased from 280ppm to 379ppm;
- Methane has increased from 715ppb to 1732ppb
- Both are well above levels for the last 650,000 years
- Nitrous oxide has increased from 270ppb to 319ppb
- 11 of the last 12 years rank amongst the warmest 12 years since 1850;
- There has been an increase in temperature of 0.76°C since 1850
- Glaciers and snow cover have declined
- Sea level rise has increased
- The last time polar regions were significantly warmer was 125,000 years ago when sea level was 4-6m higher.

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## The changes predicted are

- A warming of 0.2°C per decade;
- A best estimate warming of 1.8 to 4.0°C with likely range up to 6.4°C;
- A best (yet conservative) estimate increase in sea level of 0.18m to 0.59m by 2100
- Increasing acidification of the oceans with pH reduction of 0.14 to 0.35 by 2100
- Contraction in snow cover and sea ice with possible total loss of late summer Arctic sea ice

It is the view of the IPCC that large reduction in GHG emissions are required. This is also the view of the Climate Defence Network and other Governments around the world, including some of our major trading partners.

In early April, the IPCC will release its predicted impacts for the world, including the impacts of climate change on New Zealand. We will not escape these impacts. Elsewhere in the world, solid commitments are being made:

- The UK Government's proposed climate bill looks at cutting CO<sub>2</sub> emissions by 60% by 2050. Even the Conservative Opposition is saying that this doesn't go far enough.
- In California, the State Government has committed to an 80% reduction in CO<sub>2</sub> by 2050, with the first tier of legislation finalised at 25% by 2020. Stateside, across the USA, targets and timetables are being introduced. Ten major US companies have announced this year that they want the US to commit to 10 to 30 per cent reductions over the next 15 years.
- The European Union has agreed it will cut emission by 20% by 2020, and will push for 30 per cent cuts by 2020 if the rest of the Annex 1 countries follow suit. The Netherlands has proposed the same national target of a 30 per cent reduction by 2020

Meanwhile we have our Prime Minister pledging to make this country "truly sustainable" and "carbon neutral".

Within this context, the New Zealand Government's climate change policy has a long way to go in both addressing the impacts of climate change and being the "world leaders on sustainability" that the Prime Minister envisages.

### **A glimpse of the future: the Rugby World Cup 2011**

Let's fast forward for a moment to the Rugby World Cup 2011 and imagine that the main points as set out in the Government's five discussion documents have been implemented.

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Visitors from across the world will be deciding whether to fly all the way to New Zealand to attend, with many of them opting to stay at home and watch it on television rather than increase their carbon footprint. Others may be working to offset their emissions – many paying extra money, or cutting emissions elsewhere to account for their footprint.

Many will be looking to the New Zealand Government to reassure them that we're serious about climate change. We may have to make a special bid in climate change terms to get people to travel here. Our "Clean Green" image will be put in the spotlight.

The visitors arrive in New Zealand, only to find that nobody except the major electricity companies and stationery energy is paying a price on carbon. Transport systems are still heavily car-reliant, with no regulation on emissions. New roads have been built and completed in Auckland, but this has attracted yet more cars. One tiny train line still serves the whole of Auckland. Another bypass in Wellington has ruled out any future for public transport there.

The houses the visitors have rented from the locals (at inflated prices) have little insulation and hot water is still largely heated through antiquated immersion heater systems. There's no such thing as double-glazing and few solar hot water heating systems. The public has no idea about what they should be doing, due to a lack of education.

The Rugby World Cup stadium in Mt Eden has been expanded on a shoestring budget, with no consideration given to its carbon footprint. The food provided is still freighted by road around the country and imported from overseas. There has been an effort to make the lightbulbs energy efficient but there's no sign of solar panels on the roof. It is powered directly from the grid – there are no passive solar or solar panels to be found anywhere in the building.

The visitors are stunned that in 2011 they've arrived in a country where people are still not paying a price on carbon. Their vision of our Clean and Green country is shattered.

The Rugby World Cup shows up New Zealand as an international environmental embarrassment.

**Now is the time – and our opportunity - to change this future**

### OVERVIEW OF THE FIVE DOCUMENTS

This paper gives CDN's overview of the five papers, taken together.

The suite of documents represents an inadequate response to the scale of the energy and climate change problems which face us. CDN contends that a more ambitious

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and thoroughgoing set of energy and climate change policies is achievable; increasingly politically acceptable; and necessary.

CDN is concerned at the lack of an overall strategy and an overarching framework on the policies which seem to lack overall cohesion. A major flaw in the energy and climate change policy documents is their lack of targets - both overall targets for greenhouse gas emissions reductions, and sectoral targets.

CDN contends that such targets need to be a cornerstone of the Government's energy and climate change policies. The overall targets should derive from the need to preserve the ability of Earth's biophysical systems to regulate the planet's temperature within a range which is safe for its ecosystems and their members, including humans.

This is the obligation that New Zealand committed itself to in ratifying the Framework Convention on Climate Change.

The Government has failed to set clear targets and timetables for cutting CO<sub>2</sub> emissions, and there is no indication of how the measures proposed or considered would help achieve that goal.

Nor is there an adequate analysis of the risks and costs of not taking sufficient action, or of failing to exploit emerging economic opportunities relating to moving the New Zealand economy to a more sustainable configuration.

### **Overall the strategies should focus on:**

- Reductions first – charge now, trade later;
- Sinks second – more trees, fewer pests
- Clear targets and timetables – 80-90 percent cut in greenhouse gas emissions by 2050.
- Include demand reductions – don't just look at new energy supply
- Carbon equivalent charge needs revisiting
- Measures to increase forests and restore biodiversity
- Funding for energy efficiency needs to be increased.

### **A key question asked by the Government in its post 2012 document is:**

*“Do you expect international efforts to reduce greenhouse gas emissions to continue? If so, in what form?”*

CDN's answer to this is a clear “yes”. In the face of this year's IPCC reports and the UK Stern Review, CDN considers that international climate change policy development will continue and will likely be in the form of strengthening the Kyoto Protocol.

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While countries like the US may never be able to join Kyoto Phase I, we expect that the State-side efforts across the US are likely to be adopted, at some time, by a Federal Government, post 2008.

It is crucial that New Zealand lives up to its obligations under Kyoto. We rely on the rest of the world as an export market for our goods and our failure to meet our obligations – and strengthen them – are likely to have a negative impact on NZ exports, whatever the energy it takes to produce and transport them.

At the end of the day, if we don't put a price on carbon, then we are likely to be penalized for it.

## 1. Targets and timetables need to be set – now

As it has been since the beginning of negotiations on the Kyoto Protocol, the internationally accepted way of reducing greenhouse gas emissions is to set long, medium and short term targets, and a timetable of measures in order to transition to meet those targets.

New Zealand already has an international commitment under the Kyoto Protocol and the Framework Agreement on Climate Change, with an emissions reduction target of returning our emissions to 1990 levels by 2012. This target, weak as it is, needs to be both extended into the long term, and recognised and addressed with clear, measurable and bold policies. The proposals fail to address NZ's Kyoto compliance and financial liability in a comprehensive manner.

These targets should be the cornerstone of the Government's energy and climate change policies. Within those targets, progress and sectoral goals of various types need to be set. The Government must make strong commitments, with clear targets and staged milestones.

Globally, greenhouse gas concentrations must not go over 450ppm CO<sub>2</sub> equivalent (designed to avoid a warming in the atmosphere of no more than 2degC above pre-industrial levels) and must reduce below this figure.

**CDN recommends that the long-term economy-wide emissions reduction target should be an 80-90% reduction in New Zealand's greenhouse gas emissions, compared to 1990 levels, by 2050. This target should be subject to both revision and an increase in precision as understanding of the risks of both abrupt and gradual climate change increases.**

This will require reductions in greenhouse gas emissions of at least 80 percent by 2050 and at least 20 percent reduction by 2020 over 1990 levels.

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Targets must cover all sectors of the economy and must include addressing our current Kyoto commitments. They should relate to greenhouse gas emissions reduction, energy efficiency, transport mode shifting, and switching from coal and other non-renewables to renewable energy sources.

They should be legally binding and demonstrate the Government's willingness to take action on climate change. We risk our international reputation and competitiveness in a world where not taking action on climate change will increasingly have political and economic repercussions.

### **CDN recommends the following subsidiary targets,**

- **A 20% reduction in New Zealand's greenhouse gas emissions, compared to 1990 levels, by 2020.**
- **A target of moving to a 100% renewable stationary energy system by 2025.**

### **2. Emissions pricing – reduce now; trade later**

Not only has the Government not set targets, but it has also shied away from imposing any sort of price on carbon except for the stationary energy sector, until 2012.

In order to reach any sort of target, action is required across the board – and it needs to begin now.

This should be in the form of emissions pricing - across all sectors. It is something which Governments have committed to in New Zealand since 1994, but still hasn't come to fruition. An immediate carbon charge could be implemented now, whilst a longer-term regime such as cap and trade is worked through.

#### **As the Government states itself of the proposed carbon charge:**

"Nonetheless, many technical matters had been resolved and could be applied in a new greenhouse gas charge regime. These include issues such as emission factors (particularly for coal types, natural gas streams and geothermal energy), definition of points of obligation, treatment of fugitive emissions and administrative issues.<sup>1</sup>" The carbon charge was ready to go: all that stopped it was political expediency.

All the major technical issues have been resolved on a carbon charge while there is much to do to establish any cap and trade system.

### **CND recommends that the Government move to introduce the carbon charge in 2008.**

The political landscape has changed on the issue of climate change.

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<sup>1</sup> Discussion paper on Measures to Reduce Greenhouse Gas Emissions in New Zealand post 2012, page 44.

Renewable obligations can be part of this mix, along with measures through the RMA (a national policy statement) and the Electricity Act.

Emissions pricing also needs to include incentives for those who provide additional offsets (equity for new sinks providers). But it needs to be compatible with post-2012 arrangements.

### **3. Voluntary measures**

While voluntary measures do have a part to play, it is clear from rising greenhouse gas emissions that they are not working. Governments have relied mainly on voluntary measures to date and that has led us into increasing emissions and reduction of forest sinks.

The Government needs to acknowledge that many of these measures have benefits far wider than just for climate change. The consideration of these co-benefits should be included in any cost-benefit analyses

The co-benefits include: benefits to public health from active transport or energy efficiency measures; ecological benefits from increased biodiversity sinks; and trade and tourism benefits from the attractions of a truly sustainable carbon equivalent economy (should this be achieved).

### **4. Planning/regional responsibilities**

There is a strong need to set up a National Policy Statement for climate change under the RMA – which has obvious synergies with any economic instrument. A NPS is totally compatible with economic instruments and could have several advantages, particularly with the need to protect sinks and carbon stores, and plan for low energy cities and sub-divisions. The Government's urban design policy developed by MFE needs to be strengthened and enhanced as part of measures to reduce emissions.

The documents also fail to mention Regional responsibility for greenhouse gas emissions. Combating climate change must take place at all levels, not just national.

### **5. Demand reduction measures need to be strengthened.**

The government proposal papers put too much focus on the kind of electricity generation or transport provided (the supply side) and not enough on reducing emissions, and reducing demand for transport and for new energy generation.

Reducing demand for energy (electricity and transport) is paramount in a transition to a low-carbon economy. There is too little emphasis on energy efficiency in households,

and virtually no measures proposed to increase the demand (provide) for public transport and to decrease the demand for cars and roads.

Again, the work on these issues needs to start now. Transport, for example, will require a long transition period, with a number of different approaches. This includes priority investment in rail electrification in Auckland, the extension of the rail network in Auckland, and the extension of electrification in Wellington.

**CDN Recommends that the Government needs invests in a low carbon economy through strategic investments in low or zero carbon emissions assets for power generation, transport, housing and the like. Investments also need to be made in researching efficient supply and clean burning of wood residues for home and industrial heating – technologies suitable for New Zealand – rather than looking to international and way-off solutions like carbon sequestration or the hydrogen economy.**

### **6 . Greenhouse gas stocks and sinks on land and at sea need to be retained.**

There is a major concern that the proposed land use policy options are limited primarily to the forestry and farming industries, rather than focusing on retaining the country's natural sinks on the Conservation Estate. Foresters need to be given a level playing field, with incentives, but there also need to be disincentives to clearing native forest and scrubland to make way for plantations. The New Zealand Forest Accord includes criteria that should be applied.

This is not only a concern for the climate, but also to preserve biodiversity, which will be increasingly under threat from various climate change impacts in the decades to come.

There is little consideration of the contribution to our greenhouse gas emissions from farming, especially dairy farming and its emissions of methane and nitrous oxide. All sectors should do their share of emissions reductions.

There is very little discussion of any aspect of marine activities such as fishing that contribute to the growth of emissions and there is no discussion of any marine sinks. The Ministry of Fisheries is apparently not involved in policy and the Fishing Industry does not seem to be being asked to reduce their rising emissions.

## 7. Weak urban design and housing policies

The residential sector has no significant policies or action points, despite the fact that it is driving investment in new fossil-fuelled electricity generation, and generating 9% of New Zealand's energy sector emissions. Invest in people not power stations – efficient energy use in homes should mean lower power bills even if per-unit prices rise.

## 8. Public education

This also ties in with a basic public education package which is missing. The Framework Convention on Climate change requires countries to promote public awareness of climate change.

New Zealand is unlikely to meet any targets without the cooperation and buy-in from New Zealanders.

This public education element is especially applicable in the areas of energy efficiency at home, and in the transport sector – both on land and air travel.

It also addresses the necessity to decrease demand for energy from the public. Household emissions (which account for around 9% of emissions) have been omitted from the strategy documents. To tackle climate change, there need to be changes in behavior – starting with households across New Zealand.

Public education is also required to achieve the changes in land use which will be required. Education for farmers, foresters and any other sector is needed.

## 9 Potent Industrial Greenhouse Gases

The Kyoto Protocol is also beginning discussion of the issues around Potent Industrial Greenhouse Gases – the “other three” greenhouse gases not currently addressed in the Protocol.

These have been omitted entirely from the documents, apart from passing references to handling the leakage of these gases used in applications.

New Zealand's policy on these gases is woefully inadequate, focusing only on collection and minimizing leakage. HFCs, which are being used as a replacement for the ozone depleting CFCs and, later, HCFCs, are of particular concern. HFCs have a global warming potential of up to 13,000 times the potential of CO<sub>2</sub> and their use is on the increase.

There are alternatives available for virtually every different application of HFCs, especially in refrigeration and air conditioning. International companies like Coca Cola, Unilever and McDonalds are at the forefront of the use of this technology.

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A discussion document on these documents was issued in 2004, and the only response to those submissions was in a letter received by submitters the week ending March 30, noting that the Government is not considering changing the existing policy.

This is an area which could be a focus of criticism for the World Cup in 2011 and the building of the new Eden Park Stadium.

The policy must address these gases as well as novel Greenhouse gases like PF6 and others, moving to reduce and replace these gases in all applications. The Government must set up a process with industry to address these issues and move to benign alternatives. This sector must be included in any carbon charge and emissions regime.

### 10. Development Assistance

Most developing countries, especially those in the Pacific, are not major polluters yet they are facing a multitude of threats brought on by climate change. Developing countries require assistance to deal with these threats and the World Bank has estimated that the cost of 'climate proofing' development will require between \$10 and \$30 billion per year.

Yet the global Climate Adaptation Fund supported by a two per cent levy on proceeds of carbon sales from Clean Development Mechanism projects, had just \$3 million committed as of November 2006. New Zealand should work to ensure that by the end of 2007 the Adaptation Fund is operational and adequately funded.

New climate-proof and climate-friendly models of development are needed. Poor people must be at the centre of planning responses that affect them, and empowered to be part of solutions. New Zealand's development assistance programme should be substantially re-orientated to acknowledge the crisis of climate change.

New Zealand should encourage the development and use of sustainable energy in the Pacific. Climate change risks should be incorporated into the design and implementation disaster risk reduction strategies. New Zealand should increase its assistance to so-called climate refugees, those people displaced by climate change, as we have done for Tuvalu.

**CDN recommends that New Zealand should work to ensure that the global Adaptation Fund is operational and adequately funded. Our development assistance should be re-oriented to take into account the crisis posed by climate change. Increasing aid towards the levels agreed at Rio and Johannesburg Conferences are –part of this mix.**

### 11. Ethical Considerations

CDN is concerned that climate change will further increase inequalities both between generations - and internationally. Poor people and countries are least responsible for

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climate change, but affected first and worst. Northern societies are primarily responsible for global warming.

Current and historical emissions of rich countries have exceeded their equal (per-capita) share. Developing country governments bear some responsibility for climate-related disasters too (e.g. deforestation, flooding, drought, desertification), and need to intensify their efforts to reverse local environmental degradation

It is increasingly evident that no amount of funds will enable some communities to survive climate change. For instance, certain small island states face complete eradication from rising sea levels. Their plight raises important legal and moral policy issues. What compensation and/or other obligations do developed countries such as New Zealand have to vulnerable states that face complete eradication from climate change?

**CDN recommends that the ethical dimensions of climate change, including both international and inter-generational equity, should be at the heart of New Zealand's climate change policy framework.**