



**Submission to the Environment Select Committee**

# **Climate Change Response (Zero Carbon) Amendment Bill**

**July 2019**

## **Introduction**

Zero Carbon Nelson Tasman (ZCNT) is a group of people living in the Nelson and Tasman area, who came together after the Intergovernmental Panel on Climate Change (IPCC) Special Report of global warming of 1.5° Celsius in 2018. We are deeply concerned about the climate crisis and its impacts on our local and global society. Our local community has experienced a number of weather related emergencies in recent times, most recently the Pigeon Valley wildfires. We believe there is much we can do to lessen climate breakdown and to adapt to what we cannot prevent. We're intent on acting locally and have started working collaboratively with our councils and other concerned groups. The members of ZCNT have skills and experience in science, medicine, education, social and environmental issues, policy planning, energy, transport and commerce.

If we want the climate to be stable enough for future generations of people, we urgently need to reduce the quantity of greenhouse gases going into the atmosphere. We need to get to net zero emissions by 2050 and must quickly drop to half the current rate by 2030; which is less than 11 years away. New Zealand's and the wider world's emissions have both been rising steadily and it is going to take a huge effort to make the necessary changes to turn around this unsustainable lifestyle. We need to be determined, innovative and knowledgeable at every level of governance, backed up with strong enforceable legislation.

## **What We Support**

The Climate Change Response (Zero Carbon) Amendment Bill is a crucial piece of legislation for New Zealand to make the transition to a sustainable future. We support much of the aspirations and core aspects of this amendment bill.

- We support the Bill's purpose to limit global average temperature increase to no more than 1.5°C, in line with the IPCC 1.5°C Special Report. This is vital to reduce the chance of long-lasting and irreversible changes to our climate and ecosystems.
- We support the setting of emission budgets
- We support targets for all greenhouse gases
- We support the establishment of a Climate Change Commission
- We support the undertaking of regular National Climate Change Risk Assessments and National Adaptation Plans

## **What We Want Changed or Strengthened**

We are in a crisis and the Bill in its current form lacks sufficient urgency. We cannot afford a leisurely pace that legislation often takes. We have to take risks to be nimble and move quickly. We need to keep the public engaged in the process so they understand the need to move quickly even if the change is challenging (and they don't like the consequences). We need a just transition for all.

Zero Carbon Nelson Tasman have the following suggestions on what needs to be strengthened, changed and added to make the Bill achieve its goal of keeping global temperatures to a maximum of 1.5°C:

1. **The statement of purpose of the Bill needs to be strengthened (Explanatory note: What the Bill seeks to achieve and why, 1st paragraph also Part 1 Sec 3 of the Bill)**

Replace paragraph one with the following (changes in bold): The purpose of the Climate Change Response (Zero Carbon) Amendment Bill (the Bill) is to provide a framework by which NZ **will** develop and implement clear and stable climate change policies that are **commensurate with our obligations** to the **urgent** global effort under the Paris Agreement to limit the global average temperature increase to **less than 1.5°** degrees Celsius above pre-industrial levels.

2. **Add a 2030 GHG Target into Part 1B as in the IPCC 1.5°C Report**

There has to be a 2030 target for all other greenhouse gases (GHG) alongside the methane target. It is not satisfactory to leave this target to the Climate Change Commission and it should be included in the Bill, as a statutory provision. The IPCC 1.5°C Special Report <sup>(1)</sup> states that “In model pathways with no or limited overshoot of 1.5°C, global net anthropogenic CO<sub>2</sub> emissions decline by about 45% from 2010 levels by 2030 (40-60% interquartile range)”. Without a 2030 target, the world is very unlikely to meet the target of limiting warming to no more than 1.5°C. If the world overshoots the 1.5°C target, the consequences could be catastrophic with an increased likelihood of cascading tipping points resulting in a hothouse earth <sup>(2)</sup>.

### **We recommend a 50% net reduction of non-methane emissions from 2010 levels**

A 2030 GHG target will have the additional benefits:

- It provides a clear signal to all sectors, communities and individuals that we need to reduce our emissions now
- The longer we wait to significantly reduce our emissions, the steeper and harder the required emission cuts will be. Requiring immediate emissions cuts reduces economic, environment and social risks <sup>(3)</sup>.
- It would align the target structure of the two "baskets", making the requirements of short and long term emissions more equitable.
- The policies and plans established to reach the 2030 target will likely smooth the pathway to achieve the 2050 target and future negative emissions.
- Achieve intergenerational equity.

3. **Strengthen the Methane Targets**

We need steep cuts to methane globally to reach the 1.5°C target <sup>(1)</sup>. This is a crisis and for New Zealand to make a significant contribution, we need to cut methane alongside all

other gases. We recognise that steep methane cuts are a huge challenge for the pastoral sector, as decarbonisation will be for the transport sector. To do this, we want all farmers to have support to adopt current best practice and be assisted to diversify or transition to less emission intensive agriculture where soil conditions allow. Methane reductions can be made as summarised by the Biological Emissions Reference Group <sup>(4)</sup>, despite the challenges. We also recognise the biodiversity work many pastoral farmers are already doing. An estimated 17% or 1.4 million hectares of all native forests in New Zealand are on sheep and beef farms <sup>(5)</sup>. These and similar efforts, such as riparian plantings and wetland restoration should be recognised and supported.

What we want for methane emissions:

- We want to strengthen the targets in line with achieving the 1.5°C global target <sup>(1)</sup>
- In setting the targets, we want the Commission to take into account the best local and international science.
- We want the targets to be equitable between gases and for intergenerational consideration.
- We want clarification of whether the Bill uses GWP \* or GWP<sup>100</sup> for methane (Part 1: 6. Sec 4 amended ( Interpretation)).The emissions budget is given as a net amount of carbon dioxide equivalent so the weighting given to methane is crucial. Over the first 20 years methane is 86x more powerful than CO<sub>2</sub>. We suggest the Bill uses GWP\* for methane <sup>(6)</sup> and reports two numbers separating cumulative and short-lived climate pollutants as per Cain and others <sup>(7)</sup>.

4. **Emissions budgets must be met within New Zealand and not with any overseas offsets: remove “as far as possible” from Section 5W (1)**

We do not support using overseas offsetting as it will weaken the effectiveness of the Bill. Without the possibility of using overseas offsets, we are likely to try harder to meet our emission budgets through our own domestic reductions and removals. The use of overseas offsets were in part responsible for the failure of the NZ ETS, in its exposure to low carbon price and low quality units <sup>(8)</sup>. At the same time, we support NZ efforts to add overseas offsets as an additional contribution to mitigating climate change.

5. **Include a consideration of the potential costs of not adequately reducing emissions in 5W(2) or 5Z (2)**

There should be consideration given to the relative outcomes and costs of higher temperature rises as a consequence of setting lower emission reduction budgets. These impacts should be weighed up against the costs of actions now. The national climate change risk assessment should be one of the considerations when setting emission budgets to evaluate the relative costs. We also support determining the co-benefits of mitigation activities to adequately assess the net benefits of investing in such mitigation actions. **Consider adding 5W(2) (d) Cost of not mitigating the emissions**

6. **Strengthen the NZ ETS: Phase out free allocations, steadily increase unit price and set a price ceiling and floor**

*Page 4 Interaction with NZ ETS* states that the NZ ETS will be a key tool in meeting the emission budgets and achieving the 2050 target. If this tool is to be effective, The ETS has to be significantly strengthened.

- Phase out urgently (within five years) free units given to the Emissions Intensive Trade Exposed businesses so the taxpayer is no longer subsidising them. A Motu report <sup>(9)</sup> found that: “New Zealand’s approach to industrial free allocation is not aligned with our decarbonisation targets, does not reflect the falling risk of leakage under the Paris Agreement, lowers mitigation incentives for recipients and downstream consumers, poses a high cost to taxpayers, and applies an outdated methodology”
- Allow the price of carbon units to rise, with near-term price safeguards (such as price ceiling and price floor) and long term signals to give certainty to investors, entrepreneurs and industry to bring about long-term changes to a low carbon economy, and avoid stranded assets, as outlined in Motu Note #28 <sup>(8)</sup>.
- Include a cap/limit on forestry offsetting in the Emission Trading Scheme. We are concerned that unlimited use of forestry offsets will be relied on at the expense of deep urgent cuts to emissions in the coming decade. There should be a limit to the use of forestry or native reforestation to offset the emissions. Fires, droughts, floods and disease are anticipated to threaten these carbon sinks with increasing climate disruption so it is not realistic to rely on production forests. Production forests also become less of a carbon sink as they mature and are either harvested commercially or release carbon through biomass decomposition. These forests are only a short term offsetting scheme, unless processed timber is used as a sink.
- Include as much as possible accounting for wetlands, saltmarshes and soil carbon

7. **The Climate Change Commission should report to Parliament not Government.**

The Bill is weakened by the Climate Change Commission reporting to the Minister and the Government as this presents the ability to delay and alter the reports. The Commission should be an Independent Crown Entity and report to Parliament. This will ensure that our democratic processes will be able to hold our Government to account in its response to the Commission's recommendations.

8. **The Commission’s Functions (5J) should include Public Education and enabling Responses to Emerging Issues.**

Given the nature of this climate crisis, for the Commission to be effective it needs to outreach to the public and respond and report quickly to emerging issues. The Commission is in an ideal place to do this as it has access to specialised information and will be an independent and authoritative voice on the crisis. We will not reach our targets, if the public is not involved and informed.

The Commission should have another function added to 5J such as:

(j) to undertake, encourage and facilitate where possible public information relating to climate change to enable effective public participation on mitigation and adaptation.

9. **All Local and Central Government decisions must take the Bill into account (5ZK, 5ZL and include in Part 1C):** All politicians, public servants and local governments must be required to take emissions budgets, risk assessments and adaptation plans into account when making all decisions. It should be mandatory, not permissive. Without this, the Bill will be ineffective. Local Councils have a significant role in managing regional carbon emissions and should certainly be included in this requirement. Their local knowledge will assist with a just transition for their ratepayers. A level playing field will be required across the regions and this should be based on Government guidelines.

10. **Penalty for not meeting targets, clause Sec 5 ZJ should be deleted**

There appears to be no penalty for failing to meet the targets. We appreciate that the future is uncertain and a powerful earthquake could cripple NZ financially, but we still need to transition to a low carbon economy, and in fact that could make the country as a whole more resilient to major social and economic disruption. Sec 5ZJ (2) a court may make a declaration and award costs but what does that mean? If the process of meeting targets is not successful this needs to be enforceable through the judicial process. We recommend that if the targets are not met because politicians, local government and/or public servants have not taken climate change into proportionate consideration in their decisions, that these failures are penalised, and remedied if possible.

11. **Time frames for reporting throughout this Bill should be tightened and sufficient resources guaranteed to enable this timely response.**

Throughout this Bill the time frame for reporting and responding is within 12 weeks and longer and this can cascade into long time delays. The Commission and Parliamentary response must have sufficient ring-fenced funding to ensure the response times can reflect the urgency of the climate crisis.

12. **A time frame is given to 5K (4) such as “as soon as practicable”**

*5K (4) ( Reports to Government clause)* The Commission must make the report publicly available after providing it to the Minister, but no time frame is currently given in the Bill.

13. **Local Governments should be required to prepare emission reduction plans**

In 5ZF it is not clear whether the Minister will (under guidance from the Commission) require each sector or each region, or a combination of these to prepare a Climate Action Plan that would include emission reduction, carbon sequestration and adaptation. Without the requirement for regions to contribute we will not get buy in from the public

and will not reach our targets. For example, regional Councils are responsible for transport and decarbonising transport, (especially personal transport) will be very important for reaching the 2030 and 2050 targets and needs to be implemented at a regional level.

**14. Request that the Bill will override the RMA and EPA as soon as it is adopted**

Will the policy methods (5X (1) (c)) include revising the RMA and EPA? Currently the RMA Sec 104(1)(a) does not allow for consents to consider GHG emissions as an adverse effect, or take them into consideration if the council has a reduction target. The EPA can't consider objections to marine drilling based on climate change. **We request that either the Government amend the RMA and EPA so that all new consents can be considered through a climate change lens, or specify that this Bill will override the RMA. We need urgency on this matter!**

**17. Include New Zealand's contribution to International Aviation and Shipping in the emissions budgets**

The UK Climate Act has included these in their carbon budgets and targets, and NZ should be able to do this too. These need to be included as part of ensuring a just transition for all sectors of our economy and society, and increase New Zealand resilience.

**18. Future Targets**

To limit global temperatures to 1.5°C, there is a very high likelihood that we will need negative net emissions <sup>(1)</sup>. We request that planning and eventual targets be added to the Bill, to include negative emissions after we reach net zero long term emissions. The Commission should be planning for net negative emissions, other than biogenic methane now, to allow adequate time for research, analysis and implementation.

We appreciate the opportunity to submit on this vital Bill.

## References

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