

# Climate Change Policy

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## Introduction

International scientific consensus is that our climate is changing. As a result of human activities, atmospheric levels of carbon dioxide and other greenhouse gases, such as methane, are now higher than they have ever been in the last 650,000 years. These gases trap the heat from the sun, and our planet is becoming warmer, which is causing our climate to change.

New Zealand's response has been woefully inadequate under previous governments, with excessive reliance on an economic instrument (the Emissions Trading Scheme) that has been progressively weakened. The Green Party will meet the challenges of economic transformation to a low emissions economy in a holistic way, recognising the important complementarity between emissions reductions and other policy aims. These include healthy homes and liveable cities, clean and distributed electricity generation, affordable and safe mobility, green jobs and clean technology development, reduced consumption of resources, communities resilient to extreme weather, and pride in New Zealand's responsible role internationally.

Successful climate change mitigation and adaptation will be achieved by the combined effect of multiple Green Party policies working in conjunction with this one. See our [Agriculture and Rural Affairs](#), [Conservation](#), [Economic](#), [Energy](#), [Environment](#), [Forestry](#), [Health](#), [Housing](#), and [Transport](#) policies.

Also see our website section on [Climate Change and the Greenhouse Effect](#) for more information about climate change.

## Definitions

**Border Tax Adjustments:** Import fees levied by emissions-taxing countries on goods manufactured in non-emissions-taxing countries.

**Carbon Budget:** The quantity of emissions that can occur within a certain timespan, usually expressed as gigatonnes (Gt) of carbon dioxide equivalent. For New Zealand this will represent our fair share of the annual global carbon budget, which is the maximum level of cumulative emissions that can be allowed without an unacceptable risk of breaching the threshold of two degrees Celsius average global temperature rise. To achieve that goal, the maximum allowable global emissions total from 2010 to 2050 is approximately 500Gt.

**Carbon Sequestration:** The process of transferring carbon from the atmosphere into biological or geological storage.

**Contraction and Convergence:** A strategy to reduce overall greenhouse gas emissions (Contraction) with all countries moving towards equal emissions per capita (Convergence).

**Emissions Levy:** A set price that must be paid for emitting greenhouse gases and that serves to discourage such emissions.

**Emissions Trading Scheme (ETS):** A market-based approach whereby the quantity

of emissions are set by the government or regulator (either as a cap or on an intensity basis) and the price of an emissions unit varies according to demand.

**Greenhouse Gases:** Gases shown to be warming the climate and which require intervention to control, as defined by the Intergovernmental Panel on Climate Change (IPCC); primarily carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), sulfur hexafluoride (SF<sub>6</sub>), and halocarbons (such as CFCs and HCFCs).

**Low Emissions Economy** (also commonly referred to as a **Low Carbon Economy**): An economy that manages emissions to avoid adverse effects on the global climate.

**Sustainable:** An activity that can keep going indefinitely without depleting resources or accumulating wastes.

## Vision

The Green Party envisions a world where all people live in harmony with the environment and where natural ecosystems flourish. Collectively we understand the dangers of human-made emissions that destabilise the world's climate and we co-operate at local, national and international levels to control our greenhouse gas emissions so that they do not negatively impact on global weather patterns, while at the same time avoiding unnecessary hardship.

## Key Principles

The Green Party believes that:

1. We must act according to credible science on climate change, which demands urgent action to reduce greenhouse gas emissions as soon as possible, and sustained action to safely remove excess greenhouse gas from the atmosphere.
2. Māori economic, environmental and cultural interests, as provided for in Article II of Te Tiriti o Waitangi, must be protected to ensure that the effects of climate change and our response to it do not disproportionately impact upon the tangata whenua.
3. We have an obligation to act for the sake of vulnerable people, the wellbeing of current and future generations, the integrity of diverse ecosystems and the retention of a viable biosphere. We must think long term and start now because of the extensive lag time in climate effects.
4. A global agreement is crucial as a step towards concerted global action and we will play a constructive role in achieving a fair, effective, binding and ambitious agreement.
5. We must accept our responsibility to reduce emissions and we will advocate an approach of 'contraction and convergence' of emissions internationally, towards broadly equal shares of emissions per person.
6. Social equity and ecological sustainability must be inherent in the way we respond to climate change.
7. A range of instruments is needed to meet the requirements of climate change mitigation and adaptation. These include legislation and regulations, economic instruments and policies supporting public investment, community action, and voluntary initiatives by both business and organisations.
8. Pricing mechanisms will seek to ensure that polluting sectors will, within a short time, pay for the environmental and societal costs of their emissions, with no free riders.
9. Pricing and other mechanisms will take into account New Zealand's international obligations and be designed so as to manage fiscal risk to the

Crown in a responsible manner.

10. Greenhouse gases differ in their origin, chemical nature, climate changing effects, persistence and assimilation by natural systems. Management of emissions ideally should recognise these differences.
11. Adaptation measures should develop resilient economies and communities, and minimise the impacts of climate change on low income and vulnerable sectors of society.
12. Transparency, credibility and education are essential if all stakeholders are to accept the policy framework and change their behaviour as a result.
13. Government must invest in research and development into the production methods and mitigation technologies to enable a successful emissions reduction programme (especially in energy production, forestry, and agriculture).

## Policy Points

### 1. Targets and Agreements

#### **A. Domestic**

The Green Party will:

1. Establish a clear strategy, action plan and carbon budget for the transition to a net zero emissions, fossil-fuel free economy.
2. Support a 100% reduction in net greenhouse gas emissions from 1990 levels within New Zealand by 2050.
3. Review and if necessary revise the interim timeframe and target for achieving domestic reductions below 1990 levels, to ensure that New Zealand commits to deep reductions in greenhouse gas emissions as a step towards achieving zero emissions as early as possible. Early reductions have a greater net benefit to the environment.
4. Review New Zealand's progress towards these national targets and technology incentives at least every two years in order to keep up with the latest developments in science and technology.

#### **B. International**

New Zealand's status as a developed "northern hemisphere" economy, as well as its status as a colonised "southern hemisphere" nation coping with indigenous issues, place it in a unique position to bridge the divide in international climate change negotiations. New Zealand must use this influence to press for an international agreement that aims to reduce greenhouse gas concentrations to a safe level of less than 350 parts per million as soon as possible.

The Green Party will:

1. Work with all countries to negotiate a binding agreement by the end of 2015, that involves all nations accepting obligations on per capita entitlements, and to curb and reduce total emissions within a timeframe that achieves a phase out of fossil fuels within the second half of this century, in accordance with a scientifically-sound carbon budgeting approach.
2. Ensure that the principles of equity, common but differentiated responsibility, and ecological sustainability are reflected in the agreement, and that there are mechanisms to ensure compliance with commitments to emissions reductions.
3. Seek to accelerate the phase out of fossil fuels and fossil fuel subsidies as soon as possible, and support developing countries to move quickly to renewable energy and low impact transport.
4. Ensure that international agreements for forests and other forms of carbon

- sequestration have ecological integrity and sound accounting rules.
5. Ensure that all our international trade agreements allow countries to promote low emission economic policies and to discriminate against emission intensive products and production processes, including through border tax adjustments.
  6. Ensure that initiatives to support international action for the immediate protection of the world's remaining indigenous forests (such as 'avoided deforestation') have ecological integrity and protect the rights of indigenous and forest-dependent peoples.

## 2. Reducing our Emissions

About half of New Zealand's emissions come from farming (from methane and nitrous oxide) and half from the energy and transport sector (from burning fossil fuels). All sectors whose activities contribute to climate change should have a low emissions policy approach and should face the price of emissions to some extent.

Regulation, direct government investment, public education and a comprehensive set of sectoral policies will deliver reduced emissions, with a price on emissions acting as an incentive. Direct investment by government (such as in afforestation on state land or public transport), regulation, support for research and development and public education are often more direct and powerful ways to reduce emissions than relying on price mechanisms alone. The key sectoral policies to achieve these complementary measures include:

**A. Research and Development:** Support R&D for emissions reductions and sequestration, with a focus on agriculture and forest management (see our [Agriculture](#) and [Forestry](#) policies).

**B. Energy:** The Green Party will ensure that all energy is used much more efficiently. We will phase out fossil fuels and develop new renewables (see our [Energy](#) policy).

**C. Transport:** New Zealand's heavy reliance on the car means that transport is a sector where significant emissions reductions can and should occur (see our [Transport](#) policy).

**D. Agriculture:** New Zealand has a unique emissions profile compared to other OECD countries because agriculture produces about half of our climate changing emissions. Agriculture has some options for reducing emissions, in ways that are sustainable, many of which are already cost effective for farmers. There should be early and measured phase-in of a levy on greenhouse gas emissions for the agriculture sector under appropriate obligations. A system of certification will be developed to provide incentives for on-farm mitigation, forest management and, in future, other forms of on-farm sequestration (see our [Agriculture](#) policy).

**E. Forestry:** The Green Party will reverse deforestation and provide incentives for afforestation and sound management of our indigenous forests, including through payments or tax credits for certified sequestration, more support for the expansion of permanent forests, and improved pest control in indigenous forests (see our [Forestry](#) policy).

**F. The Economy:** The Green Party will ensure the transformation to a low emissions economy for New Zealand while promoting business innovation and clean technology opportunities, re-building our international reputation for safe and environmentally sound products, and creating green jobs (see our [Economic](#) policy).

**G. The Environment:** The Green Party will require the reduction of emissions by appropriate amendments to the Resource Management Act, the production of a National Policy Statement on greenhouse gases, and of regulations suited to the purposes of the Act and the Policy Statement (also see our [Environment](#) policy).

### 3. Emissions Price

An effective, credible and transparent economic instrument is needed to put a price on greenhouse gas emissions that will incentivise significant reductions. Critical features for any instrument are that it be comprehensive, sufficient to drive significant emissions reduction and innovation now, and that it include an annual price escalator.

The Green Party will:

1. Ensure the release of greenhouse gas emissions faces a price which, together with complementary measures, delivers the level of emission reduction necessary to achieve the targets and timeframes set out in this policy.
2. Work for a transition from the ineffective Emissions Trading Scheme to introduce an effective levy that provides a greater degree of certainty over the price on emissions, improved transparency, and far greater effectiveness in providing incentives for reduction of emissions. Issues around the surrender of New Zealand units from the existing scheme will be adequately addressed.
3. Establish the following features within the framework for an emissions levy in order to ensure the economic instrument will be effective:
  - a. A carbon budget to drive decisions on climate policy, with annual capped emissions budgets.
  - b. A priority on government regulation, investment and programmes that will support and enhance price signals.
  - c. An independent Climate Commission to advise the government.
  - d. A transparent Climate Fund to manage the revenue from the economic instrument and report back to the public.
  - e. A transition fund to protect vulnerable businesses, workers and households to enable them to adjust during a transition period.
  - f. An outreach and education programme to raise awareness and enable consumers to make low emission choices.
  - g. A study of potential Border Tax Adjustments to equalise emission costs for foreign and domestically-produced products.
4. Work with Māori in the design and implementation of an emissions levy to ensure it does not disproportionately impact upon Māori economic, environmental and cultural interests, or households.
5. Ensure that appropriately calculated credit payments will be available for greenhouse gas sequestration, for example by afforestation.
6. Recycle emission revenues into income tax reduction for all taxpayers, and into funding emission abatement.

### 4. Adaptation

Adaptation to climate change will be essential as many significant changes to our climate are already happening. While central government action is key to our international engagement and overall policy development, the Green Party recognises that local government, communities, civil society and business will be key partners in actually delivering on any adaptation strategies.

#### **A. Social Adaptation**

The Green Party will:

1. Assist low income and vulnerable sectors of society to adjust to the resulting changes in the economy by a range of measures, including energy efficiency, transport affordability and improvements in local authority planning systems (see our [Energy](#), [Transport](#), [Housing](#), [Local Government](#), [Food](#) and [Health](#) policies).

2. Respond to the specific impacts on Māori communities that rely on fisheries, shellfish and forests for food and employment.

### ***B. Environmental Adaptation***

Climate changes threaten the survival of many species and ecosystems. The Green Party will:

1. Fund research to identify the most at risk species and ecosystems in New Zealand
2. Research the impacts of climate change on biodiversity, both on land and at sea.
3. Support mechanisms, such as the protection and restoration of ecological corridors, to maintain and enhance the ability of indigenous species to respond or adapt to climate change.
4. Research impacts on primary production arising from emissions and climate change effects such as rainfall, pest abundance and ocean acidification.
5. Provide guidance to local authorities to plan long-term adaptation to sea level rises.
6. Ensure that DoC and other Crown assets are managed in a manner that supports ecosystem and species adaptation.
7. Apply the precautionary principle and rigorous analysis to any plan to apply geo-engineering or other technologies to combat climate change.

### ***C. Economic Adaptation***

There are many sectors of society that will be affected economically as we move to a low emissions economy. Those who are most vulnerable must be assisted to adapt. The Green party will:

1. Create high-level government and industry sector groups to investigate and make recommendations on how to manage climate change.
2. Shift the economies of communities dependent on coal away from coal mining.
3. Create a contestable fund for local government and community group adaptation projects.

### ***D. International Adaptation***

Poor and vulnerable communities around the world are already suffering the impacts of climate change, especially indigenous peoples, those living in low lying areas and our Pacific neighbours. The Green Party will:

1. Provide funding support for climate change mitigation and adaptation in developing countries, additional to the international aid programme, in accordance with the Copenhagen Accord signed by New Zealand in 2009.
2. Assist our Pacific neighbours with the forced relocation of communities as a result of sea level rise and extreme weather, and engage positively with Pacific nations on their proposals for loss and damage compensation.
3. Build international support for urgent action to prevent even worse impacts to some of the poorest and most vulnerable communities and environments, and support Pacific states in raising security issues related to the future survival of low lying island states in the UN Security Council.