

Climate Change Commission
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Consultations: Emission budget, 2050 emission reduction target, international shipping and aviation in the 2050 target

INTRODUCTION

1. This is the Environmental Defence Society's (EDS) submission on the following consultations by the Climate Change Commission (Commission):
 - a. Review of the 2050 emissions reduction target
 - b. Draft advice on the fourth emissions budget (2036 – 2040)
 - c. Review on whether emissions from international shipping and aviation should be included in the 2050 target

2050 TARGET

2. New Zealand's current 2050 targets are weaker than those of comparable nations, and not aligned with our fair share of the global effort under the Paris Agreement. EDS supports the Commission's view that there is no evidence to support weakening New Zealand's climate action, and there is evidence to strengthen the targets.
3. There is also evidence to support a greater focus on gross emissions reductions and indigenous reforestation.

4. Strengthening 2050 targets to ensure New Zealand meets its fair share also supports the Government's interests of enabling the New Zealand economy to thrive in a low-emissions future.
5. EDS considers it is important that the Commission separate its obligations to 1) review the target and 2) recommend any change if justified by the criteria in the Climate Change Response Act 2002 (Act). Even if a change were not justified, the Commission should still provide advice on what it considers a 1.5C-aligned target for New Zealand would be.

Chapter 2: Assessing the current 2050 target's contribution to limiting global warming

6. EDS agrees with the Commission's analysis that the current targets do not represent an equitable contribution to global efforts.
7. The purpose of the section of the Act is to "provide a framework by which New Zealand can develop and implement clear and stable climate change policies that contribute to the global effort under the Paris Agreement to limit the global average temperature increase to 1.5° Celsius above pre-industrial levels".
8. New Zealand's fair share under the Paris Agreement (according to equity considerations) is therefore of paramount importance and there are a number of relevant elements to this:
 - a. New Zealand and other Parties have agreed that the Paris Agreement "will be implemented to reflect equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances" and that the overarching aims of the agreement are set "in the context of sustainable development and efforts to eradicate poverty". This means that any proposed target must be able to answer equity dimensions, i.e.
 - i. What is the overall global effort required
 - ii. Why the proposed target is New Zealand's "fair share" of that effort
 - iii. Is the remaining share equitable to others, in particular least-developed countries' sustainable development.
9. An arbitrary choice of a domestic target level (such as "no additional warming" for biogenic methane) does not meet these criteria.
10. New Zealand's successive targets under the Paris Agreement must be of the "highest possible ambition", not the minimum it can get away with.
11. While New Zealand has a high percentage of biogenic methane, so do other nations that have set net-zero targets for all gases. New Zealand is already an international outlier in not including biogenic methane in a single 2050 net-zero target for all gases. New Zealand also has high potential for reforestation which other countries lack, making its net-zero task easier.
12. Time matters. The world is in a critical decade to 2030 to bend the curve on climate mitigation. We cannot wait until the next review in 2029-30 to align New Zealand's targets with international goals. Every fraction of a degree matters – in lives saved and ecosystems preserved, and in economic and social damage avoided.

Chapter 3: Checking for significant change

13. The Commission may recommend a change to the targets if there has been a “significant change” in circumstances outlined in the Act. We agree with the Commission’s assessment that:
- a. There has been significant change to global action.
 - i. Other countries have adopted more ambitious net-zero all-gases targets (including countries with high shares of biogenic methane).
 - ii. The collective insufficiency of global efforts means that overshoot is likely, meaning a need to further tighten targets and set a path for net-negative emissions for the remainder of the century.
 - b. There has been significant change to scientific understanding of climate impacts, which are now expected at lower temperatures, again supporting the need for accelerated action.
 - c. The science of the warming impacts of biogenic methane has not changed.
 - d. There is greater understanding of the risks of relying on CO₂ removals from plantation pine forest over the long term.

14. We add that:

- a. There is greater clarity on the need for gross emissions reductions in both fossil fuel emissions and biogenic methane, reflected in the Glasgow and Dubai COP decisions and in sectoral pathways such as the International Energy Agency’s NZE Scenario and the Food and Agriculture Organisation’s 1.5C pathway.
- b. There has been a significant scale-up in corporate setting of targets that require ambitious reductions in gross emissions. The private sector is looking to government to align policy with their ambitions.
- c. There is better understanding of the financial costs of climate change, which is starting to be reflected in insurance withdrawal.
- d. The EU-NZ Free Trade Agreement makes Paris Agreement obligations enforceable. This includes the obligation to “pursue domestic mitigation measures” with the aim of achieving NDC targets.
- e. Climate change impacts occurring at lower temperatures has significant implications for intergenerational equity: a failure to act more strongly now impacts those to come.

Chapter 4: Looking at the impacts of change

15. There is no reason why ambitious climate action should affect the most vulnerable – that is a question of good policy design.
16. There will be a need for ongoing negative emissions after 2050 to meet New Zealand’s share of correcting global overshoot – this can only be implemented through truly permanent indigenous long-term reforestation.
17. The analysis presented shows that the current target is insufficient, but even the most ambitious scenario modelled (HTHS) still appears to be below New Zealand’s fair share – leading to 0.002°C by 2100 which would still be double a per-capita equal global share.
18. Costs do not seem prohibitive: The GDP changes between scenarios are modest compared to the value of emissions savings made.

Conclusion

19. We urge the Commission to consider recommending targets in line with the HTHS, as a step towards achieving the rate of emissions reductions and native afforestation required. The additional steps (outlined in Table 4.2) towards this scenario appear mostly to be choices for New Zealand to make, rather than externalities that we cannot affect. Making these choices would reflect our highest possible ambition. Targets drive action. If targets are set conservatively based only on technologies that are already in place, there is no drive to develop technology. Some stretch is necessary, and this is the approach taken overseas.

FOURTH BUDGET AND REVIEW OF THE FIRST THREE BUDGETS

Introduction

20. The legislative purpose of budgets is set out in section 5W of the Act:

“The purpose of this subpart and [subparts 3](#) and [4](#) is to require the Minister to set a series of emissions budgets—

- (a) with a view to meeting the 2050 target and contributing to the global effort under the Paris Agreement to limit the global average temperature increase to 1.5° Celsius above pre-industrial levels; and*
- (b) in a way that allows those budgets to be met domestically; and*
- (c) that provides greater predictability for all those affected, including households, businesses, and investors, by giving advance information on the emissions reductions and removals that will be required.”*

21. We note that “reductions and removals required” is what is required to close the gap between projections and the budgets, not the budget level itself. To maintain consistency in this level of effort, it is important to adjust for methodological updates and ‘significant change’ to maintain ambition intended for both reductions and removals.

Chapter 2: Proposed level for the fourth emissions budget

22. We agree with the Commission’s advice on the level of the fourth budget, and that the Commission’s process for assessing this is sound.

Chapter 3: Developing the proposed path to the fourth emissions budget

23. We agree with the approach taken. We add that there is greater information available on gross emissions reductions pathways consistent with the targets (via international 1.5 sectoral pathways, and the targets businesses are setting for themselves). These should be considered in assessing ambition of the budgets. We also consider that the long-term need for durable carbon removals should be reflected in shifting focus to indigenous afforestation, as in the Commission’s HTHS scenario.
24. We also consider that in a timeframe to 2040, more agricultural technologies and system change should be included in the scenario. Targets drive action, including for technology development, so targets need to be set with some stretch. The additional measures flagged to move to the HTHS are ones that we should take and include in our targets, for example:
- a. Further use of biofuels to decarbonise transport
 - b. Higher modal share of public and active transport
 - c. Transitioning to 100% steel production by electric arc furnace

- d. Adoption of green anodes for aluminium production
- e. Further land use change from dairy to horticulture
- f. Adoption of methane-reducing feed additives

Chapter 6: Proposed changes to the first, second and third emissions budgets

25. We agree with the Commission's advice that:
- a. Budgets 1-3 should be updated to reflect methodological updates. Failure to do so would change the level of emissions reductions and removals required, creating uncertainty for those trying to take action.
 - b. Budgets 2-3 should also be updated for the windfall of additional forestry removals from higher-than-expected planting rates in 2019-23. Failure to correct for this would change the level of gross emissions reductions required. Businesses have targets for gross reductions and are looking for government to align with their pathways.
26. We additionally note that s 5W of the Act that includes in the purpose "giving advance information on the emissions reductions and removals that will be required" means that updates should be made if unforeseen circumstances significantly change the level of either reductions or removals.

INTERNATIONAL AVIATION AND SHIPPING

27. We support the Commission's analysis that it is appropriate to bring international aviation and shipping emissions into New Zealand's 2050 targets (and therefore the emissions budgets).
28. New Zealand's export and tourism led economy will rely on us managing these emissions, and they are unlikely to attract meaningful policy focus until they are included in the target structure. We manage what we measure.
29. We support these being included in the net-zero target, but with additional gross reduction targets that align with the sectoral goals for aviation and shipping decarbonisation.