

## **New Zealand's growing contribution to climate change NEW ZEALAND – MARCH 2008**

### **Climate Change**

Man-made climate change is real and happening fast. Experts say it's the single biggest threat civilisation has ever faced, and the first time a single issue has spanned people, species, countries and continents in this way.

The world's leading climate scientists agree that we have a window of 5-10 years to make big greenhouse gas reductions if we want to prevent dramatic and unpredictable changes to our climate.

Top climate scientists have also agreed that emission reductions of between 25 to 40 per cent are needed in countries like New Zealand by 2020 to prevent the worst climate impacts.

We may be at the bottom of the world, but we're far from immune to the consequences of climate change. Our economy is reliant on a healthy environment and a stable climate, however, our agriculture, horticulture, tourism and forestry industries are already feeling the impacts of climate change.

The drought of the late 1990's for example cost our economy \$1 billion, and according to the Ministry of Agriculture and Forestry, this years drought in the Waikato has cost the farming sector over \$1.24 billion while Fonterra estimates the cost to dairy farmers alone will be over \$500 million.

### **Government Policies**

Our Government is eager to show us and the world that it is serious about addressing climate change. To date the Labour Government and the Green Party have developed a 10 year ban on new fossil fuel electricity generation, and set a 90 per cent renewable energy target for 2025.

The Labour Government has also introduced an Emissions Trading Scheme (ETS) under which polluting sectors must, over time, cover the cost of their greenhouse gas emissions. The idea is that if you charge polluters for their emissions they'll be more likely to take action to reduce them, for example by shifting investment into cleaner technologies.

These policies sound good in theory, and they are commendable, but they are not nearly enough. There are huge gaps in the emissions trading scheme that will ensure it and all other climate policy will fail to make the cuts required.

(For a more thorough examination of the flaws in the emissions trading scheme, see [www.greenpeace.org.nz/ets-report](http://www.greenpeace.org.nz/ets-report))

## **Real solutions – what’s missing?**

The single most important thing New Zealand could do to address climate change is set a domestic emissions reduction target. Setting a target is a simple, logical and critical step in helping reduce New Zealand emissions and contributing to the prevention of dangerous climate change globally. It means everyone has something to aim for and if we know we need to reduce emissions by a certain amount by a certain time, we can adopt the policies to get us there.

Greenpeace is calling on all political parties to set a target of 30 per cent reductions by 2020 for New Zealand’s greenhouse gas emissions. This would bring us into line with more progressive nations who have already committed to similar targets, and help ensure we make the cuts that science shows are needed to avoid the worst climate impacts.

We’re also calling for the agricultural sector – which makes up almost half of all our emissions – to be brought into the ETS in the next two years, rather than in five years time as the scheme currently stipulates. If this is not done before 2013, we have no hope of reaching any effective emissions reduction target.

## **Coal expansion: Undermining government initiatives**

Even with a reduction target of 30 per cent by 2020, and agriculture brought to account, a huge gap would still exist in New Zealand’s climate change strategy due to an apparent ‘go lightly’ approach with the coal industry.

The proposed treatment of coal mining under the ETS for example is problematic, because ‘fugitive’ gases from coal mines (that is, the methane and other greenhouse gases that are released into the atmosphere as a result of the mining process) are not included in the scheme.

On top of this, by allowing the expansion of coal mining and export, the Government is directly undermining its clean green aspirations and palming the problem off to other countries. In 2007 a total of 4.80 million tonnes of coal was mined by state-owned enterprise Solid Energy, a growth of 130,000 tonnes compared to 2006. Out of this 4.80 million, almost half (2.19 million tonnes) was exported.<sup>1</sup>

And as well as expansion of mining for export, Solid Energy is actively looking for opportunities to grow the market for coal both within New Zealand and internationally.<sup>2</sup> This could well lead to more industrial use of coal in New Zealand. It also demonstrates the weakness of the government’s emissions

---

<sup>1</sup> 2007 Solid Energy Annual Report and Accounts (page 6)

<sup>2</sup> 2007 Solid Energy Annual Report and Accounts (page 17-18)

trading scheme as it currently stands. Solid Energy clearly does not view the scheme as a deterrent to coal use<sup>3</sup>

The Government clearly recognises that burning coal contributes to climate change, but despite banning new fossil fuel electricity generation at home, it is quite happy for the same coal to be burnt by someone else, and is doing little to prevent it being burnt by industrial processors at home for processes other than electricity generation.

It is standing aside while a company solely owned by two of its own ministers pushes through a business plan to expand dirty coal mining in New Zealand and increase coal exports - essentially making any reductions in greenhouse gas emissions achieved by its new policies and the hard work of average New Zealanders a moot point.

Climate change is a global issue, and we are not only at risk from physical changes to the climate within New Zealand, but are also just as vulnerable to decisions made elsewhere. If coal is burned offshore, we feel the long term effects at home.

By expanding coal exports we are not only actively encouraging environmentally destructive practices overseas, but we are also green-lighting further exploitation of our own natural environment as more countryside is sacrificed to coal mining operations.

If we are to reduce our emissions and do our bit to ensure the same reductions happen around the world, we need to be a model global citizen and work to reduce the amount of coal that is burnt both at home and abroad.

---

<sup>3</sup> The ETS needs to auction rather than give away free emissions permits for industrial pollution (for example on-site coal burning). The present proposal is for the sector to receive 90 per cent of its emissions permits for free. Solid Energy, a state-owned enterprise, clearly recognises that even with the proposed ETS in place, there is potential to expand the coal industry in New Zealand.