Ministry for the Environment
Manatū Mō Te Taiao

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18-D-02477

s 9(2)(a) [redacted]

Dear s 9(2)(a) [redacted]

Thank you for your email of 29 September 2018 regarding the Ministry's response to your earlier request (18-D-01573). Unfortunately, this email was caught in the Ministry's email spam filter, and not discovered until very late. We apologise that this response is therefore long overdue. The fault is ours, but in future please send requests to ministerials@mfe.govt.nz rather than to individual staff members.

You have requested the following under the Official Information Act 1982 (the Act):

> *Can you now confirm that the correct answer to my OIA request is that the Ministry did not rely upon any particular official report or data in making the relevant statement? On the other hand, if any such document does exist, could you please now comply with my request.*
>
> *Additional requests*
>
> *Could you please also provide copies of any official reports the Ministry relied upon for the following statements in the discussion document:*
>
> *1. That the Zero Carbon proposal will: – "create jobs"*; "upgrade our economy" so we will "be better paid"*; and – make New Zealanders better off while reducing emissions"***
>
> *2. That "in recent years, the increased emissions have caused the global climate to change rapidly"**.*
>
> *3. That "countries like us make up around 30% of total emissions. NZ's per capita emissions are high compared with similar economies in OECD countries"***
>
> ** Message from Minister*
>
> *** Executive Summary*

Your request relates to primary evidence used to inform policy, which is all in the public domain. We are therefore refusing your request under section 18(d) of the Official Information Act 1982 (OIA), on the basis that the information is publicly available. Some information on locating and interpreting this information is provided below.

Regarding the attribution of global warming, we stand by the statement in the discussion document that "*The world has already warmed about 1°C since 1900, and the increase in greenhouse gases is the main reason for this*", and that this is supported by information in the IPCC's Fifth Assessment Report. In Chapter 10 (Detection and Attribution of Climate Change), the Report concludes "that anthropogenic

forcings *likely* contributed 0.6°C to 0.8°C to the observed warming over the 1951–2010 period", and this represents the main contribution to the 0.85°C warming from 1880 to 2012.

This statement is also supported by more recent work, such as the IPCC's Special Report on Global Warming of 1.5 °C, which states that "*observed global mean surface temperature (GMST) for the decade 2006–2015 was 0.87°C … higher than the average over the 1850–1900 period*" and "*Human activities are estimated to have caused approximately 1.0°C of global warming above pre-industrial levels*". A clear illustration of the research supporting this conclusion can be found at globalwarmingindex.org.

Regarding your additional requests, here is evidence supporting the following statements (with the sections you cited shown in bold):

- "we can grasp an extraordinary opportunity to **upgrade our economy**, not just to be 'clean and green' but also more productive, more resilient and **better paid**."
- "That certainty [which the ZCB intends to create] will drive investment in new industries and **create new jobs to upgrade our economy**."
- "We also want to show global leadership by demonstrating to other countries that **New Zealanders can be better off while taking action to reduce our impact on the climate**."

See the sources that are summarised (and referenced) in the following reports that supported the consultation on the Zero Carbon Bill:

1. Report: Economic impact analysis of 2050 emissions targets: A dynamic computable general equilibrium analysis, which contains the paragraphs:

   > "In all core scenarios, the economy continues to grow. In the baseline, average economic growth between 2017 and 2050 is 2.2%. In all scenarios, the average growth rate remains at 1.5% or higher (Table 2). Across the core scenarios, the difference between the ZNE target average growth rates and the 50% target growth rates is around -0.2%."

2. Report: Zero Carbon Bill Economic Analysis Report pages 25 to 29, which includes the paragraphs:

   > "… strong climate action promotes cost-cutting resource efficiency improvements including switching to alternative lower-emissions technologies and fosters innovation in new low-emissions technologies. The international evidence indicates that climate action stimulates faster innovation rates. For example, Dechezlepretre et al (2016) find evidence that innovation closely correlates with stronger climate action (figure 4). Despite relatively low emissions prices worldwide, much innovation has occurred including wind and solar power, green supply chains, and electric vehicles (Productivity Commission, 2018). International evidence also indicates low-emissions technologies are of high economic value, and provide knowledge spillovers (eg, biofuels providing spillovers innovations to the chemical industry[1]) to other supporting sectors (Dechezlepretre et al, 2013). In fact, these spillovers are similar in economic value to those in high-technology industries (eg, robotics), and are mainly received by surrounding local businesses providing a "potential channel for positive home country effects from unilateral emission pricing (Dechezlepretre et al, 2016, p. 15)."

[1] A significant discussion of knowledge spillovers from low-emissions technologies has been recently reported by the European Commission (2017).

3. Report: Emissions pricing impact on innovation and competitiveness: a review of the international literature, which includes the paragraphs:

> "Based on the review of the international literature, the report concludes that emissions pricing at current levels reduces emissions, while not weakening overall economic performance of most businesses. This conclusion is supported elsewhere when considering the impact of environmental policies more broadly (Dechezlepretre & Sato, 2017). Recent preliminary evidence suggests stronger conclusions, where emissions pricing may also provide small positive economic impacts (eg, Klemetson et al 2016; Yamazaki, 2017; Dechezlepretre, 2018)."

4. Report: Countervailing forces, Climate targets and implications for competitiveness, leakage and innovation – whole report.

These reports are available online at: http://www.mfe.govt.nz/publications/climate-change/our-climate-your-say-consultation-zero-carbon-bill

The "countries like ours" comment you cite is in reference to countries that contribute 1 percent of global emissions or less. We recognise comparisons such as these are imperfect, but they're an attempt to balance scientific, social and economic considerations, at the same time as providing context for New Zealand's responsibility as a developed country and as one of the highest per-capita emitters in the world.

You have the right to seek an investigation and review by the Ombudsman of my decision to withhold information relating to this request, in accordance with section 28(3) of the Act. The relevant details can be found at: www.ombudsman.parliament.nz.

Yours sincerely

Janine Smith
Director, Climate Change