



New Zealand Climate Change Project  
Te Hōtaka Rerekētanga Āhuarangi o Aotearoa

# Climate Change: a Consultation Snapshot

A report back on the Government's first round of consultation on the Kyoto Protocol

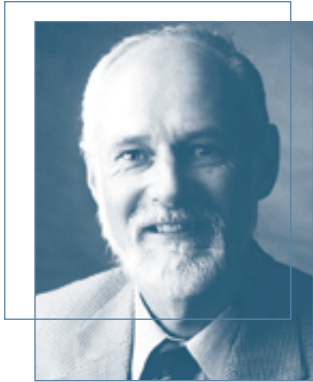
October – December 2001

# Contents

## Climate Change: a Consultation Snapshot

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Foreword by Pete Hodgson	1
What this booklet is about	2
Our report back to you	5
The issues you raised	7
Your suggestions on policy options	12
Your policy concerns	13
The Government's response to your views	14
For more information	15
Policy principles	16



### We hear what you're saying

Climate change is perhaps the most important and certainly the most difficult environmental problem facing the world today. Nobody has all the answers, which means consultation is a vital part of the quest for practical, sustainable measures that will enable New Zealand to play its part in the international effort to delay global warming.

This report, on the first phase of consultation on the New Zealand climate change programme, emerges just ahead of the April release of the Government's preferred policy package. The policy package has been valuably informed by the results of the consultation carried out in late 2001.

The government began consultation with a clear statement of its intention to ratify the Kyoto Protocol in August 2002 and a question about how policy, in general, should be framed. We have listened carefully to the response and we are committed to continuing a frank and open dialogue with all interested parties and sectors.

Consultation will continue, this year and far into the future, because it has to. Climate change policy will evolve and change over decades. The problem of global warming will be with us for the rest of our lives, the lives of our children, and their children, and so on. Our response to it will have to be constantly adjusted as our understanding grows and as new technologies emerge.

A handwritten signature in blue ink that reads "Pete Hodgson". The signature is written in a cursive style and is underlined.

Hon Pete Hodgson  
Convenor of the Ministerial Group on Climate Change

## What this booklet is about

**In October to December last year the Government sought New Zealanders' views on what they thought New Zealand should do about the Kyoto Protocol. There were four parts to this consultation process:**

### **1 We outlined the situation and asked for submissions**

The Climate Change Project drew on the work done by people from a number of government departments to create a consultation document and several working papers that set out the Government's thinking so far. The document asked a number of questions and invited submissions.

We asked you your views on the case the Government was making for ratifying the Kyoto Protocol and about any economic opportunities you thought might be connected with climate change.

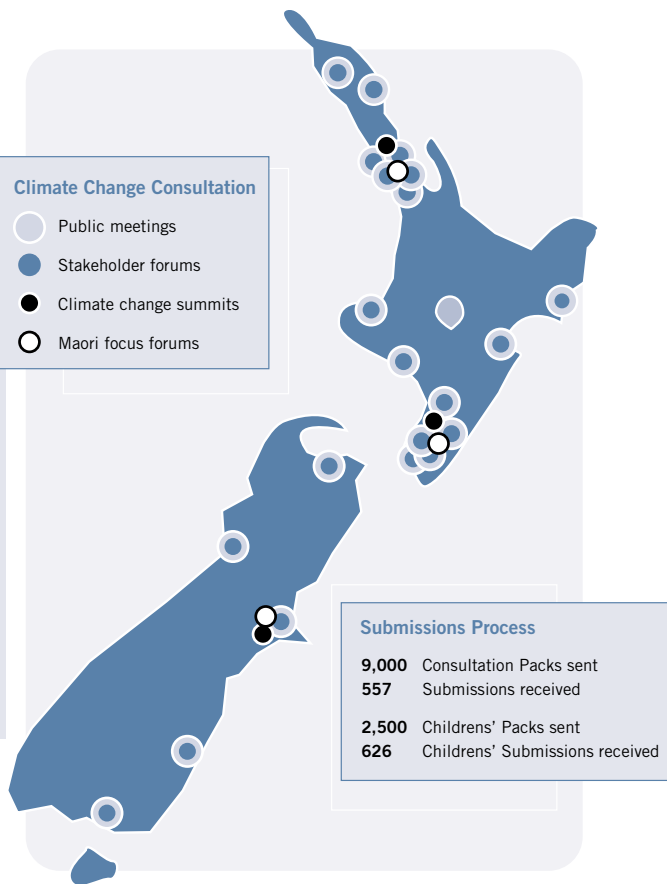
We also asked you who you thought should take responsibility for managing New Zealand's greenhouse gas emissions (government or private sector organisations) and how that might be done – looking at policy options like emissions charges, emissions trading, levies, and financial incentives for emissions reduction.

More than 9,000 consultation documents were distributed, along with 3,750 copies of the working papers. We received 557 submissions – from commercial interests, Maori, local government, community organisations and individuals.

## 2 We went out and met people

Three teams from the Climate Change Project went out on the road, with 63 meetings held in 24 centres throughout the country. These included public meetings, additional public forums for people with a special interest in climate change, sectoral stakeholder meetings, a national carbon forum and a Maori consultation programme of 12 forums and a national hui.

We sent nearly 25,000 invitations to events, many to organisations that in turn invited their members. More than 1,500 people attended, including business people, local government, Maori iwi, environmental groups, and farmers and foresters.



### 3 We did a public survey

To find out the views of New Zealanders who were not directly involved in climate change consultation by attending a meeting or making a submission, the Climate Change Project had UMR Research do a nationwide telephone survey.

The research showed that global warming ranked second on New Zealanders' list of "the most major environmental problems facing the world today" (pollution was the most important), with 91% of those surveyed considering global warming a very or fairly important issue. 47% believed New Zealand should ratify the Kyoto Protocol in September, and 42% said they needed to find out more about it. Only 10% of people who knew about the Kyoto Protocol and 1% of those who weren't aware of it, opposed the Government ratifying the Protocol in September.

### 4 We asked the kids

The people who will have to live the longest with the consequences if we fail to act now, or if our actions don't work, are New Zealand's children. So we also undertook a young people's consultation, sending out 2,500 packs and kids' consultation documents to schools nationwide.

We received 626 submissions from young New Zealanders (aged nine upwards). This included 622 individual submissions and four from school groups. Each person who made a submission received a special certificate of merit from the Minister acknowledging their contribution.

## Our report back to you

This consultation snapshot is, as the title implies, a very summarised overview of the results of the four-part consultation conducted so far. Another, more comprehensive report tells the fuller story of the consultation meetings, analyses and records key aspects of the written submissions, and summarises the public research. This Consultation Report is available by request from the Climate Change Project or by accessing the climate change website (see the back of this booklet for details).



In this snapshot, we refer to the people and organisations who participated in the oral and written consultations, both submitters and those who went to meetings, as 'participants'.

We outline the issues people raised, the concerns they had, and their thoughts about the policy options we outlined in the consultation document. The public survey is mentioned separately where the questions overlap.

We finish by explaining how we are going about addressing your concerns, what we're doing now, and what will happen next.

# Consultation and the Kyoto Protocol: a seven-step process

## **1. Stage 1 consultation on ratification and policy options:**

**Oct – Dec 2001**

We asked you what you thought of the Government's intention to ratify the Kyoto Protocol by September 2002, and what might be the best policy approach to give the Protocol effect inside New Zealand.

## **2. National Interest Analysis (NIA): Feb – May 2002**

We used the feedback you gave us on ratification in stage one of the consultation process to help formulate this report to Parliament, which discusses the environmental, economic, social and cultural impacts of the Kyoto Protocol. The NIA includes a key statement of policy principles agreed to by the Cabinet, developed in response to public feedback. These principles are guiding the Government's development of domestic greenhouse gas policies. They include a commitment to: incremental and adaptable policies; permanent and sustainable reductions in greenhouse gas emissions; retaining the competitiveness of industries and a growing economy; protecting lower social economic groups, and developing policies in close consultation with stakeholders (for a full list of the principles see page 16 of this booklet).

## **3. Stage 2 consultation and release of preferred policy package:**

**April – June 2002**

The Government will release a policy package it believes will meet the important criteria enunciated in its policy principles, while at the same time encouraging New Zealanders and New Zealand industries to reduce their greenhouse gas emissions. The policies will not be final, but a focus for real and tangible discussion and

debate to help lead the Government toward implementing the best and most workable policy framework for all New Zealand.

## **4. Legislation: May – July 2002**

Part 1 of the Climate Change Response Bill will be introduced to Parliament. The Bill will put in place the minimum legal measures to allow New Zealand to ratify the Kyoto Protocol, and trade internationally in emission units. It will also put in place structures for monitoring and recording New Zealand's greenhouse gas performance, and is subject to a public Select Committee submissions process.

## **5. Final decisions on ratification and policy**

The Government will announce its final decision on ratifying the Kyoto Protocol in July and in that month will also report back on how New Zealanders' feedback has shaped or amended the likely policy package.

## **6. Rio-plus-ten**

The World Sustainable Development Summit takes place in August 2002 in Johannesburg, South Africa at which the leaders of many developed countries, including the New Zealand Prime Minister, intend to ratify the Kyoto Protocol, prior to the Protocol's entry into effect on 1 January 2008.

## **7. Legislation Part 2**

Part 2 of the Climate Change Response Bill will put into a legislative framework the policies agreed on by the Government, following stage two consultation with the New Zealand public.

## The issues you raised

### Something needs to be done

By far the majority of participants agreed that something needed to be done about climate change. However, those who thought the Kyoto Protocol should be ratified in September this year were very much outnumbered by those that did not believe the Government had made a convincing case for immediate ratification. Many thought that ratification should wait until the Government:

- knew what its trading partners were going to do
- had given people a lot more information about policy options and had worked through these with those who would be affected.

When it came to written submissions:

- 33% were against the Kyoto Protocol altogether, either because they didn't think it would make a difference, or because they were concerned about the economic effects (on their own sector or more generally). About 80% of these submitters were farmers, mainly from Southland
- 21% said New Zealand should commit to the Kyoto Protocol as the "right thing" for the Government to do (for the world and for New Zealand). These were mostly individual New Zealanders

- 38% approved of the Kyoto Protocol in principle, but felt New Zealand should not ratify the Protocol until it knew the likely impacts and effects, in New Zealand and worldwide.

In contrast, around half of the public survey respondents favoured ratifying the Protocol: this went up to about 70% when people who wanted more information were asked to give an opinion based on what they currently knew.



## The issues you raised

### Is there a problem?

A small number of participants said that climate change either wasn't happening or was the result of natural fluctuations, not human caused. Although they were in the minority, they were very passionate.

### Timing of ratification

This was a big issue for many participants. The majority had one or both of two problems with the timing of ratification. Some said that the consultation process had been rushed and that people had not been given enough time or enough information to make a decision on something this important. They felt that they needed to know more about the details of policy and possible effects before deciding on

ratification. Others felt that New Zealand should be a joiner rather than a leader of world action in this area.

### Ratification and policy issues

On the whole, participants talked a lot more about ratification issues than policy issues. One reason they gave was that there was not enough information about policy issues to make decisions. Many participants asked for a cost-benefit analysis of the various options. Some who opposed ratification said they did so because they believed the Government showed a preference for particular policy options that would have bad economic effects.

## Doing something about climate change

The Kyoto Protocol is an international agreement designed to reduce the world's greenhouse gas emissions and the threats we face from global climate change. Most leading climate scientists agree that increasing concentrations of greenhouse gases are already heating up the earth's atmosphere – and that this will happen much faster in the future because more greenhouse gases are being produced by human activities. Activities like burning fossil fuels, reducing forests, and increasing modern agricultural production, have greatly increased the amount of greenhouse gases in our atmosphere. As a result, the earth is getting warmer, sea levels will rise and rainfall patterns are likely to change. There is

also a serious risk that we will experience more extreme weather events (such as heavy rainfall, flooding and more droughts). Although some people could benefit from some of these climate changes in the short term, they also expose us to significant challenges and risks: changing what food we can produce and where, coping with more tropical diseases and pests, impacting on native ecosystems and changing the world's polar regions. In the long term, global warming has strong potential to threaten the stability of the earth's climate through abrupt shifts in ocean currents and weather patterns.

## Effects of ratification

Economic, environmental, social and cultural effects were considered by many participants. While most expressed concern about the possible economic effects of ratifying, some felt that there was too much emphasis on this, and not enough on the environmental effects of not ratifying. Most businesses, particularly farmers, foresters and large industrial businesses were worried about the impact of ratification on their sector and some, on their ability to stay in business. Some people suggested that heavy emitters of greenhouse gases would move to countries without emissions targets, resulting in “carbon leakage”. Foresters and environmental interest groups were concerned there could be extensive early harvesting of pre-1990 forests. Other participants mentioned concern about the economic impact of climate change itself (as opposed to Protocol). A few participants, mainly from alternative energy businesses, saw potential economic advantages for New Zealand in ratification, and some saw advantages in climate change itself, at least in the short term.

## Ratifying the Protocol

New Zealand and the majority of the world’s nations have already signed the Kyoto Protocol. However, it won’t come into force until a sufficient number of developed countries ratify it – that is, make a formal and legally binding agreement to its terms and conditions, and put in place measures at home to meet their international obligations. Fifty-five developed countries, representing 55% of the developed world’s greenhouse gas emissions, must be fully and legally committed to participation in the Protocol before it comes into force. If that happens, the Protocol will take effect from January 1 2008 – the first day of what is known as the Protocol’s “first commitment period”. After this there will be future commitment periods, which will set further global greenhouse gas reduction targets, and bring other nations of the world into active participation in the Protocol.

## The issues you raised

### The role of local government

Climate change, and New Zealand's response to it, is an area of great concern to local government organisations, particularly as they play such a significant leadership role in responding to climate change and monitoring behaviours that will bring about a reduction in greenhouse gas emissions. Local Government New Zealand, and many councils, made submissions and had a strong turnout at meetings. Many local government participants sought more information about what their role might be in managing climate change issues, and requested Government support and clarification on their role. Some also expressed concern about the impact of policies or of climate change itself on their particular region. Councils also provided venues for many of the consultation meetings.

### Maori

Maori are concerned about both climate change itself and the policies that might be used to implement the Kyoto Protocol, particularly how they could impact on farming, forestry and regional development. Much of the Maori economic base is in land that is already marginal, where people tend to have lower incomes and are therefore more

vulnerable to anticipated changes. Many Maori participants were concerned about social effects if climate change and/or ratification damaged Maori land and livelihoods more than those of New Zealanders as a whole. The potential impacts are particularly important to Maori because of their spiritual connection to the land.

### Specific sectoral issues

#### Transport

A number of participants raised transport as an issue. On the one hand, many participants felt that the Government should support greater use of public and alternative transport, especially rail, and that road users should pay the full costs of pollution. On the other, people were concerned about the potential economic costs if road transport became more expensive.

#### Farming

Around a third of submissions came from individual farmers. Most were concerned about ratification. They noted that greenhouse gas emissions from animals and

crops are costly and difficult to measure, and that measurements are known to be inaccurate. They also noted that at present, there are no ways to prevent or limit animal emissions. Further, they pointed out that many of New Zealand's competitors have much smaller farming sectors than we do and could choose to leave farming out of their Kyoto Protocol control measures – making it tougher for New Zealand farmers to compete overseas. Participants, while supporting the concept of research to reduce emissions, said it could take some time to produce any useful results and some doubted it was even possible. Meanwhile, they said, the only way to reduce emissions would be to reduce production.

### Forestry

Overseas competitors were also a concern for the forestry sector. Participants also said that making forest or land owners responsible for forest sinks (with credit given for carbon stored by the forest and costs incurred when the forest is cut down) could make a big difference in investment and land use decisions. The Kyoto Protocol's

internationally negotiated 1990 baseline was seen as arbitrary – under the agreement, forests planted after 1990 are seen as forest sinks; pre-1990 forests are not. This excludes a lot of indigenous forests. Also, if forest or land owners are responsible for forests rather than the Government, all forest owners will have to pay for land use changes, but only owners of post-1990 forests will benefit from sink credits. This was seen as unfair.

### Patterns of consumption

A considerable number of participants thought that the climate change problem called for ordinary New Zealand to change the way they did things, particularly in the way they consume fossil fuels and use private vehicles and electricity. Participants suggested that if we don't change our behaviour, policies won't work. They called for public education led by the government and local government, to generate new and more 'climate friendly' behaviours.

## Your suggestions on policy options

As noted above, participants talked a lot less about the possible policy options than about other more immediate issues around climate change and ratification. There were, however, some clear messages.

### 1. Consistency

Participants said that legislation, policy, strategies and objectives needed to be consistent across sectors. Several mentioned the Resource Management Act as an example of legislation that needs to be applied in a way that will help rather than hinder results that support the climate change policies.

### 2. Emitters pay

Most participants believed that those producing emissions should pay for them, though many recognised that this could be unfair on sectors who can't limit or measure emissions, or those who face tough competition.

In terms of how they might pay:

- Participants on the whole were against the idea of emissions trading. They saw it as too complicated, thought it might be captured by overseas interests, or didn't believe it would encourage people to emit less.

- Emissions charges were suggested as a way of making emitters pay, though businesses were concerned about potential economic impacts.

Many participants thought that non-market strategies such as public education, research, projects and voluntary agreements should be tried first and a significant number thought such measures should be started immediately.

### 3. Responsibility

Participants generally saw a place for government in managing any emissions regime, but very few thought the costs of reducing emissions should be paid entirely by the government. This was reflected in the public survey – most respondents thought the costs of emissions should be shared between government and emitters (59%), or paid entirely by emitters (30%). Only 6% favoured the government being entirely responsible.

Many people were cautious about possible costs and bureaucracy.

Some participants thought a mix of market and non-market policies, with specific tools used on a sector by sector basis, would give the best results.

## Your policy concerns

Participants had a number of general concerns about how climate change policies might be developed and implemented:

### ■ Bureaucracy

Participants were anxious that the policies implemented shouldn't need a big bureaucracy to manage them.

### ■ Compliance costs

Increased compliance costs were a major concern, particularly for businesses.

### ■ Treaty of Waitangi

Maori were concerned that they had been inadequately consulted during the consultation process, which was inconsistent with the Treaty of Waitangi. They were also concerned that policies might cause economic outcomes that impacted more heavily on Maori, thus eroding the value of Treaty settlement claims.

### ■ Accurate measurement

Farmers, in particular, but also other participants were concerned about the accuracy with which emissions could be measured.

### ■ Competitive disadvantage

Many participants expressed concerns about policies that might put New Zealand at an economic disadvantage, either because our competitors might not ratify the Protocol or because they apply their policies in a different way.

### ■ Transition

Participants insisted that transitional arrangements should allow New Zealand to have an easy passage into a climate change conscious future.

### ■ Need for more information

This was a very strong message. Many participants asked for on-going dialogue and information exchange.

## The Government's response to your views

The Government and its officials have carefully analysed and listened to the views you expressed through the first stage of public consultation.

Your comments were fundamental to the design of the key principles that are guiding the development of the Government's preferred policy package, to be released in late April 2002.

As your submissions suggested, the principles will ensure that policies introduced – now and in the future – will:

- result in permanent and sustainable reductions in greenhouse gas emissions
- provide for economic opportunities in climate change
- be incremental and adaptable
- be simple and understandable, so that people can make the necessary behavioural changes
- not disadvantage people in the lower socio-economic groups of our society
- recognise uncertainty about future changes (such as those in our emissions profile, technology and the international environment)
- acknowledge that competitiveness, now and in the future, is important for all industries

- be subject to ongoing consultation with stakeholders whenever policy is reviewed, refined or further developed.

Underlying the principles is the expectation that every New Zealander must take some responsibility for New Zealand's greenhouse gas emissions.

We have detailed the full list of policy principles on page 16 of this booklet.

We also found your feedback highly valuable in the writing of the National Interest Analysis, which discussed the reasons why New Zealand should become party to the Kyoto Protocol and the effects of the treaty entering into force.

As promised, continuing dialogue with the sectors and other interested parties will be maintained through the next round of consultation and beyond that, as we approach the first commitment period and policies are further developed, reviewed and refined.

In late April 2002, the Government is releasing its preferred policy package and another consultation document, as the basis for the next round of public discussion. This will not state the final policy for 2008-2012, but will outline the Government's preferred policies for meeting New Zealand's Kyoto commitments in the long term. It will be an

opportunity for you to look closely at what the impacts of that policy mix might be – on your sector and your community.

The Government is determined that the policies it puts into place will enable New Zealand to take responsibility for its greenhouse gas emissions while maximising benefits and minimising any adverse effects on our economy.

For more information:

- Visit our comprehensive website:  
[www.climatechange.govt.nz](http://www.climatechange.govt.nz)
- Record a request for any of our printed documents:  
0800 WARMING (927 646)
- Email us direct with your request for information:  
[info@climatechange.govt.nz](mailto:info@climatechange.govt.nz)
- For the full Climate Change Consultation Report and the National Interest Analysis see:  
[www.climatechange.govt.nz](http://www.climatechange.govt.nz)

Other websites you can visit to get information about climate change in New Zealand and around the world:

- [www.unfccc.int](http://www.unfccc.int) – the official website of the United Nations Framework Convention on Climate Change

- [www.ipcc.ch/](http://www.ipcc.ch/) – the official website of the Intergovernmental Panel on Climate Change
- [www.pewclimate.org/](http://www.pewclimate.org/) – the website of the US Pew Center on global climate change (a non-profit and independent organisation dedicated to “providing credible information, straight answers and innovative solutions” in the effort to address climate change)
- [www.grida.no/climate/](http://www.grida.no/climate/) – the website of the United Nations Environment Programme
- [www.epa.gov/globalwarming/](http://www.epa.gov/globalwarming/) – the US Environmental Protection Agency website
- [www.greenhouse.gov.au/](http://www.greenhouse.gov.au/) – the Australian Greenhouse Office website
- [www.climatechange.gc.ca/english/index.shtml](http://www.climatechange.gc.ca/english/index.shtml) – the Government of Canada climate change website

# Climate Change Policy Principles

## Goal:

New Zealand should have made significant greenhouse gas reductions on business as usual and be set towards a permanent downward path for total gross emissions by 2012.

### This goal means that:

- New Zealand will be on a path to reshaping its energy use
- there will be an increased rate of technology uptake on renewables, energy efficiency and lower emissions production
- all sectors will be addressing emissions and positioning themselves greenhouse-wise on world markets
- research findings to date will have been transferred to agricultural practice
- new buildings, dwellings, plants, vehicles and machinery will be at the optimal edge of energy efficiency
- the New Zealand population will be knowledgeable about greenhouse gases and taking responsibility for them.

### Key principles for future policy development

#### **Policies must result in permanent reductions in emissions over the long term.**

- Policies must achieve real and sustainable reductions in

emissions across all commitment periods – both to protect New Zealand's international credibility and to ensure that we are prepared for future commitment periods.

- Policies should avoid “carbon leakage”: that is, policies will avoid high emitting industries moving their greenhouse gas emissions offshore to countries that do not have emissions reduction targets. This will protect the objectives of the Protocol pending the creation of a truly global emissions regime.
- Policies will aim for long-term, permanent changes in New Zealanders' behaviour, including behaviours that contribute to emissions through use of transport, energy, industrial and agricultural processes.

#### **Policies need to be responsive to the changing international context.**

- The policy approach needs to recognise the uncertainty about future changes up to 2012, including changes in our emissions profile, in technology, and the international environment.
- Policy development will be incremental, building from low cost policies now to policies that expose emitters to the full emissions price as factors such as knowledge and certainty increase and as countries currently without

emissions targets take on targets and expose their economies to the international price of carbon.

- Policies therefore will be adaptable and flexible, recognising the need for businesses and other stakeholders to be able to accept and respond to policy changes. They should allow for a transitional, staged approach to give affected emitters time to adjust.
- Policies must be as simple and comprehensible as possible to effect the necessary behavioural changes.
- Policies will be increasingly globally focused as targets under the Kyoto Protocol become increasingly globally based.
- Policies will be developed in close consultation with stakeholders, and will include processes for partnership and co-operation with key affected stakeholders.
- The policy package will include regular reviews of progress with emission reductions and effectiveness of policies, and criteria or milestones for when policy changes or new policy might need to be set in place. This includes periodic review of the goal, having regard to our domestic actions and the evolving international market situation.

### **Policies need to be consistent with a growing and sustainable economy.**

- Policies will recognise that competitiveness now and tomorrow is important for all our industries (including new entrants).
- Policies will move progressively to a full cost on emissions when competitiveness issues have been addressed by a full global targets regime.
- Policies should avoid inappropriate distortionary effects on investment.
- Policies will promote economic opportunities in climate change.

### **Policies will not disadvantage the vulnerable in our society.**

- Policies should aim to ensure that lower socio-economic groups are not disadvantaged as a result of Kyoto commitments.



New Zealand Climate Change Project  
Te Hōtaka Rerekētanga Ahuarangi o Aotearoa

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