Response ID ANON-NZPP-DXYD-1

Submitted to Climate action for Aotearoa
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Introduction

What is your name? What is your organisation (if applicable)?

Name (enter in text box):
Responsible Investment Association Australasia

What is your email address?

Email (write into text box):
nicoletteb@responsibleinvestment.org

In what capacity are you responding to this survey?

In what capacity are you responding to this survey? Select from the dropdown list.: Business

Add other/more than one capacity if applicable:
For-purpose investment focussed organisation

(Optional) Specify iwi/hap affiliation, or if a mandated representative specify iwi/pan-iwi organisation, Māori-collective* or Māori organisation you represent.: 

What part of Aotearoa are you from?

What part of Aotearoa are you from? Select from the dropdown list.).: Other (please specify)

Please specify if you are from outside Aotearoa:
Australia (Sydney)

What is your age group?

45-54

Confidentiality and disclosure

Yes

How this consultation works

Do you want to continue with the consultation questions or do you want to submit a pre-prepared response?

I want to continue with the consultation questions

File upload:
No file uploaded

Are you here to tell us your one big thing?

Your one big thing:

Your one big thing::

Do you want to continue with the consultation questions or would you like to end your submission here?

I want to continue with the consultation questions

Our six big issues - intro

Our six big issues - the pace of change

1 Do you agree that the emissions budgets we have proposed would put Aotearoa on course to meet the 2050 emissions targets?
Please explain your answer (1000 word limit):

**Our six big issues - future generations**

2 Do you agree we have struck a fair balance between requiring the current generation to take action, and leaving future generations to do more work to meet the 2050 target and beyond?

Not Answered

Please explain your answer (1000 word limit):

**Our six big issues - our contribution**

3 Do you agree with the changes we have suggested to make the NDC compatible with the 1.5°C goal?

Not Answered

Please explain your answer (1000 word limit):

**Our six big issues - role and type of forests**

4 Do you agree with our approach to meet the 2050 target that prioritises growing new native forests to provide a long-term store of carbon?

Strongly agree

Please explain your answer (1000 word limit):

RIAA doesn’t have a base of evidence for which to definitively comment on this question, however the science suggests three main things:

1. providing offsets for carbon polluting activities that take place elsewhere in the economy (i.e. combustion of av-gas for aviation purposes) is the lowest value/lowest efficacy for genuine, permanent reduction available; rather reducing emissions from source (through switching to zero carbon or reducing overall use) has superior outcomes (to offsets, often in the form of forestry for example).
2. building more resilience to the physical impacts of climate change must go broader than doing plantations alone (plantations are useful for creation of timber which plays a greater part in the bioeconomy (building products, fuel and fibre stocks etc.) but also go to permanent revegetation and restoration of biodiverse environments. According to the WEF, economic productivity contributions from natural systems contributes to 50% of global GDP (directly) and of course 100% indirectly.
3. Perhaps a third aspect to consider is the additional utility of biodiverse permanent natural systems not just for shelter and food for other species but also for recreation and tourism which also contributes significantly to the domestic economy, local economies, and overall human well-being.

Accordingly, RIAA strongly supports the planting of new native forests. At only 1% of total terrestrial cover, it may be prudent for the Commission to build in a review to test the efficacy of this ambition, alongside the rolling five-year carbon budgets/reduction targets. It may be necessary to expand this ambition post review.

**Our six big issues - policy priorities to reduce emissions**

5 What are the most urgent policy interventions needed to help meet our emissions budgets? (Select all that apply)

Action to address barriers, Pricing to influence investments and choices, Investment to spur innovation and system transformation

Please explain your answer (1000 word limit):

Whilst direct emissions from Aotearoa’s finance sector is negligible in relation to the other priority sectors identified, the role of finance as a priority for the Commission is noticeably absent. RIAA asks the Commission to consider that the final advice to government include a recommendation that the finance sector (investment, banking and insurance) is mobilized effectively. Specifically, RIAA recommends to the Commission that the Aotearoa Circle’s Sustainable Finance Forum’s Roadmap for Action be cross-reference in its advice, specifically where there are direct (and indirect) linkages with the objectives of this action plan.

Examples of linkages include but are not limited to:

1. Providing regulatory guidance for fiduciary duty around climate change as per ASIC in Australia; legislation to require managed investment schemes to factor in and disclose climate change risk to investors. Also, a requirement for company directors and trustees to take climate issues into account in their policies and decision-making; and

2. Extending the requirement of mandatory TCFD reporting to larger private companies and the public sector; and

3. Improving education around Aotearoa’s commitments to Paris for the finance sector, and highlight both how finance can play a role and how business can access finance vehicles and instruments to assist them to deliver net-zero (for company directors, financial advisers, and other actors); and
4. Calling out to the Sustainable Finance Forum (SFF) Roadmap for Action, to form the basis of the government’s overall sustainable finance strategy. This follows Minister Shaw’s speech to delegates of RIA’s RINZ Conference in September 2020, where he remarked on the SFF Roadmap for Action and the strength of its international counterpart in the UK where a private-public sector partnership has provided the basis for a plan to galvanise private capital into the low carbon economy. “We are not going to get a low carbon economy, without the finance sector playing a leading role and shifting capital toward those new technologies that help to decarbonise the economy and still expand the economy at the same time,” said Minister James Shaw on September 15, 2020; and

5. Ensuring government supports (including financially) the establishment of the Centre for Sustainable Finance, and that the Commission coordinates its efforts with this forthcoming, integral institution.

Our six big issues - technology and behaviour change

6. Do you think our proposed emissions budgets and path to 2035 are both ambitious and achievable considering the potential for future behaviour and technology changes in the next 15 years?

Not answered

Please explain your answer (1000 word limit):

Would you like to end your submission here, or move on to the detailed section of our consultation?

I want to continue with the consultation questions

Detailed questions on our advice

1. How we developed our advice

1. Do you support the principles we have used to guide our analysis?

Not answered

Please explain your answer (400 word limit):

2. Emissions budgets numbers

2. Do you support budget recommendation 1? Is there anything we should change and why?

Q2 Emission budget levels - Emissions budget 1 (2022 – 2025):

Q2 Emission budget levels - Emissions budget 2 (2026-2030):

Q2 Emission budget levels - Emissions budget 3 (2031-2035):

Please explain your answer (1000 word limit):

3. Breakdown of emissions budgets

3. Do you support our proposed break down of emissions budgets between gross long-lived gases, biogenic methane and carbon removals from forestry? Is there anything we should change, and why?

Q3 - Gross long-lived gases:

Q3 - Biogenic methane:

Q3 - Forestry:

Please explain your answer (1000 word limit):

4. Limit on offshore mitigation for emissions budgets and circumstances justifying its use

4. Do you support budget recommendation 4? Is there anything we should change, and why?

Not answered

Please explain your answer (1000 word limit):

An over-reliance on offshore mitigation for emissions budgets simply delays the transition required in-country for the Aotearoa economy – and its communities dependent upon certain activities and industries - to decarbonise.
Secondly, not all greenhouse emissions reduction activities are fungible, even though the carbon credits are – meaning that scientifically it is not the same positive impact on the global atmosphere to purchase a carbon credit from planting trees in Malaysia to offset methane emission from a landfill site in Aotearoa. The methane emissions caused in-country need to be reduced from source – waste reduced, gas used for heating and power or flared to convert from methane to carbon dioxide.

Thirdly, an over-reliance on international credits impacts the demand for domestically created credits and accordingly reduces the price these are traded under the ETS (see the collapse of the NZ carbon price in 2012 and the impact this had on some local companies). Whilst it is important that a low-cost transition takes place, it is also important for project finance and investor certainty in New Zealand, that the carbon price continues to reliably increase. A transition that is just and provides employment for New Zealanders as well as other economic opportunities, should be encouraged. Therefore, mechanisms that stimulate projects generated locally should be prioritised, with the Commission considering some leeway for international credits into future periods once the marginal cost of meeting domestic abatement targets becomes commercially challenging.

**Enabling an enduring climate transition - intro**

5. Cross-party support for emissions budget

5 Do you support enabling recommendation 1 on cross-party support for emissions budgets? Is there anything we should change and why?

Not Answered

Please explain your answer (1000 word limit):

6. Coordinate efforts to address climate change across Government

6 Do you support enabling recommendation 6 on coordinating efforts to address climate change across Government? Is there anything we should change and why?

Not Answered

Please explain your answer (1000 word limit):

7. Genuine, active and enduring partnership with iwi/Māori

7 Do you support enabling recommendation 3 on creating a genuine, active and enduring partnership with iwi/Māori? Is there anything we should change and why?

Not Answered

Please explain your answer (1000 word limit):

8. Central and local government working in partnership

8 Do you support enabling recommendation 4 on central and local government working in partnership? Is there anything we should change and why?

Not Answered

Please explain your answer (1000 word limit):

9. Ensuring inclusive and effective consultation, engagement and public participation

9 Do you support enabling recommendation 5 on establishing processes for incorporating the views of all New Zealanders? Is there anything we should change and why?

Not Answered

Please explain your answer (1000 word limit):

10-11. Locking in net zero

10 Do you support our approach to focus on decarbonising sources of long-lived gas emissions where possible? Is there anything we should change and why?

Partially support

Please explain your answer (400 word limit):
The focus on long-lived gas emissions is key to ensuring the emissions curve is turned downward as soon as possible. However, given that long-lived and shorter-lived emissions are produced in parallel, it would be prudent not to delay action on shorter-term emissions. The Commission, with government, should begin supporting sector-wide switches that will need to take place across all sectors of the economy... especially those that are trade exposed.

11 Do you support our approach to focus on growing new native forests to create a long-lived source of carbon removals? Is there anything we should change and why?

Not Answered

Please explain your answer (400 word limit):

12. Our path to 2035

12 Do you support the overall path that we have proposed to meet the first three budgets? Is there anything we should change and why?

Not Answered

Please explain your answer (1000 word limit):

13. An equitable, inclusive and well-planned climate transition

13 Do you support the package of recommendations and actions we have proposed above to ensure an equitable, inclusive and well-planned climate transition, and is there anything we should change?

Not Answered

Please explain your answer (1000 word limit):

The direction of policy

14. Transport

14 Do you support the package of recommendations and actions for the transport sector? Is there anything we should change and why?

Not Answered

Please explain your answer (1000 word limit):

Proposed Necessary action 2 to move people out of private vehicles and into low emission public and shared transport (with walking and cycling) needs consideration against what future personal transportation options may exist.

Particularly useful and worthy of consideration is the fuel substitution benefit of moving from petroleum-based mobility measures to around 80% renewable energy (and growing) from the grid to power privately owned EVs. As with car sharing platforms, in time, the economics of hailed, fleet, and possibly autonomous EVs will enter the market and public and private investments in mass public transit may not be realised, which appears the situation in Sydney, Canberra and other Australian cities. For this reason, it may be worth the Commission considering how it can stimulate investment in a cleaner electricity market which supports EVs as well as an increase in working-from-home patterns, to complement its effort to support investment in public transport. Naturally, policy measures to support spending on public transport infrastructure would net co-benefits including reduced traffic congestion and the increased workforce productivity that results.

15. Heat, industry and power

15 Do you support the package of recommendations and actions for the heat, industry and power sectors? Is there anything we should change and why?

Not Answered

Please explain your answer (1000 word limit):

16. Agriculture

16 Do you support the package of recommendations and actions for the agriculture sector, and is there anything we should change?

Not Answered

Please explain your answer (1000 word limit):

17. Forestry

17 Do you support the package of recommendations and actions for the forestry sector? Is there anything we should change and why?
18. Waste

Do you support the package of recommendations and actions for the waste sector? Is there anything we should change and why?

Not Answered

Please explain your answer (1000 word limit):

19. Multi-sector strategy

Do you support the package of recommendations and actions to create a multisector strategy, and is there anything we should change?

Support all the actions

Please explain your answer (1000 word limit):

20. Rules for measuring progress

Do you agree with Budget recommendation 5 on the rules for measuring progress? Is there anything we should change any why?

Not Answered

Please explain your answer:

21-23. Our Nationally Determined Contribution (NDC)

Do you support our assessment of the country's NDC? Do you support our NDC recommendation?

Not Answered

Please explain your answer (1000 word limit):

Do you support our recommendations on the form of the NDC?

Not Answered

Please explain your answer (400 word limit):

Do you support our recommendations on reporting on and meeting the NDC? Is there anything we should change, and why?

Not Answered

Please explain your answer (400 word limit):

24. Eventual reductions in biogenic methane

Do you support our assessment of the possible required reductions in biogenic methane emissions?

Not Answered

Please explain your answer (1000 word limit):