

Overview of New Zealand's Climate Change Policy

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NZCCO

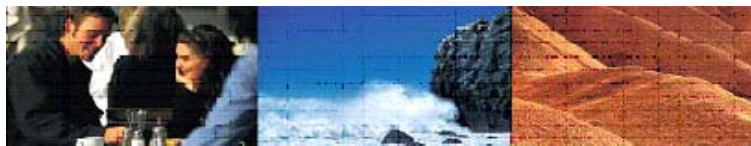
The New Zealand Climate Change Office is responsible for:

- coordinating implementation of the climate change policy
- compiling and reporting greenhouse gas inventory
- Carbon Accounting System
- New Zealand's commitments to both UNFCCC (1992)
- and Kyoto Protocol (1997).



New Zealand's Obligations under the Kyoto Protocol

- To reduce NZ's greenhouse gas emissions to 1990 levels on average over the 2008-2012 commitment period, or take responsibility for any emissions over these levels.

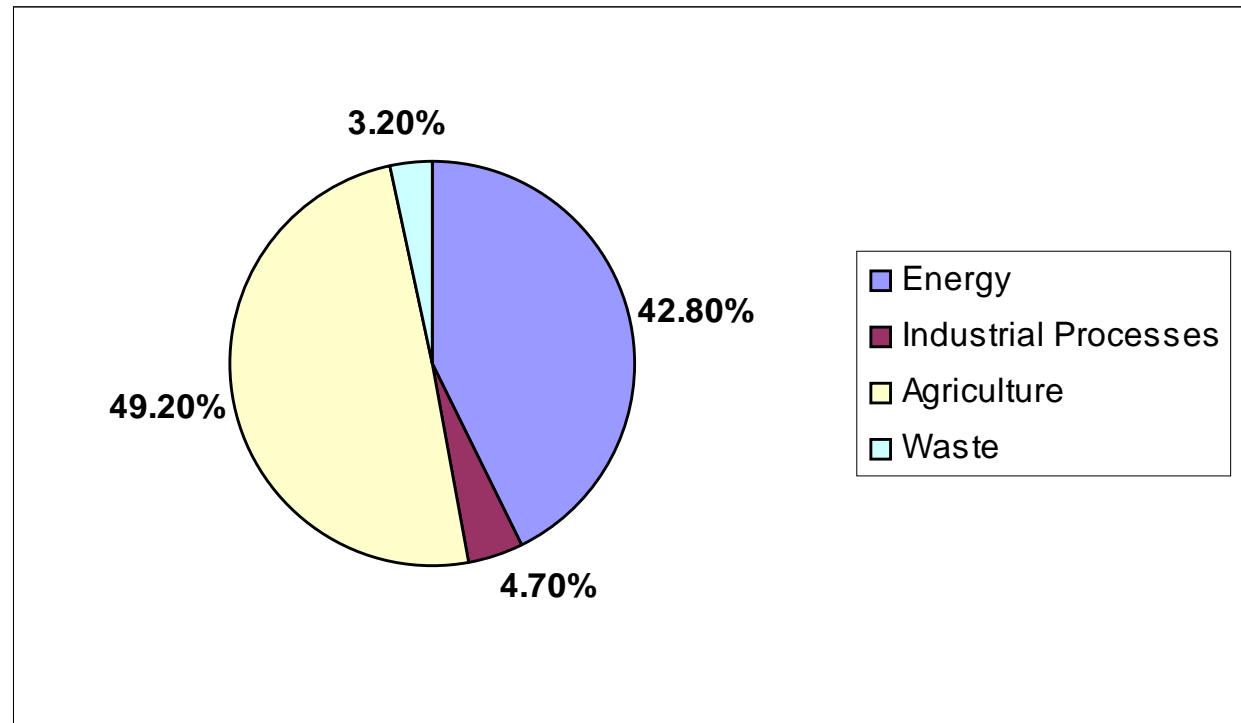
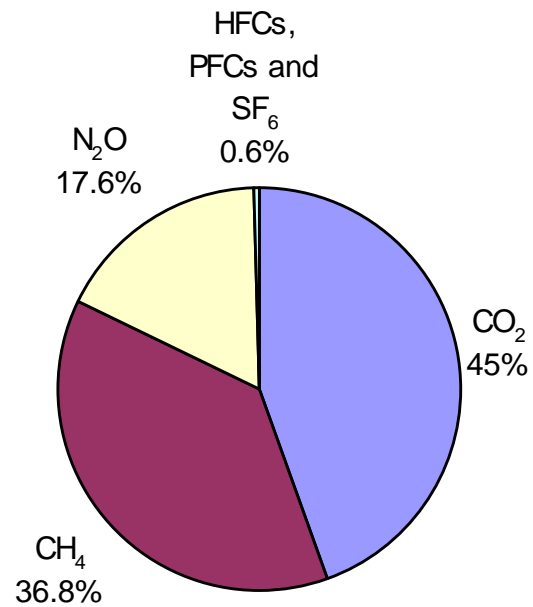


The Government's Objective

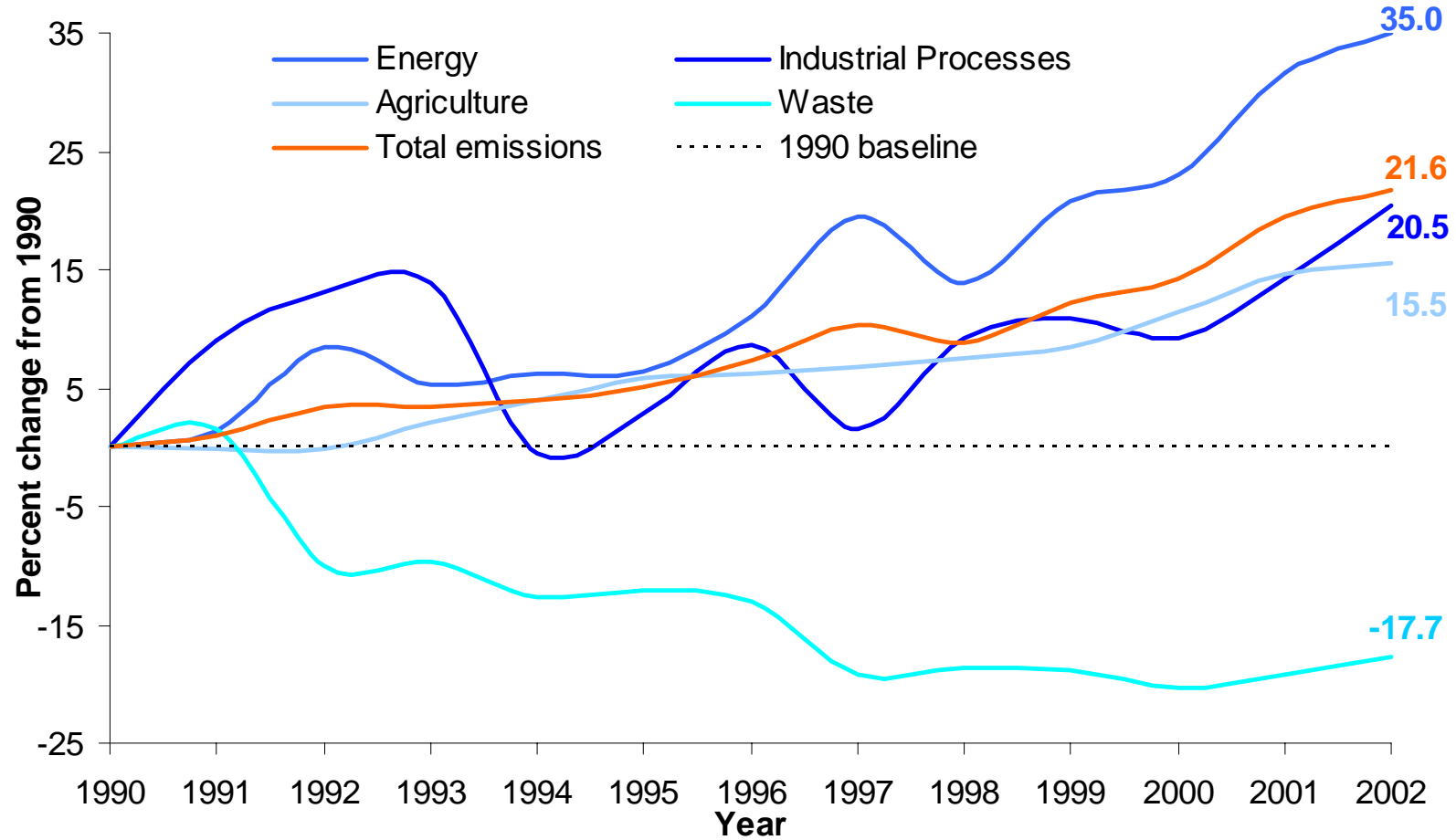
- New Zealand should have made significant greenhouse gas reductions on business as usual and be set towards a permanent downward path for total gross emissions by 2012.



Emissions by Gas/Sector: 2002



Change in New Zealand's sectoral emissions from 1990-2002



Policy Package

(Announced October 2002)

- Implement a carbon charge
- NGAs for competitiveness at risk firms/world best practice
- Projects to reduce emissions
- SMEs and business opportunities
- Voluntary agreements on synthetic gases
- Retention of sink credits and liabilities
- Industry/government funded research in the agriculture sector
- Public education and awareness: “4 Million Careful Owners”



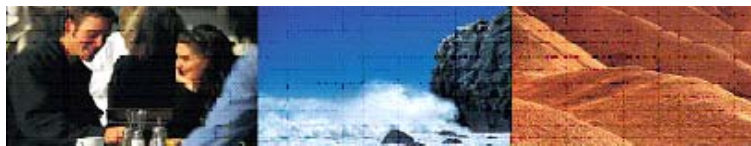
Foundation Policies

- Local government partnership
- Resource Management Act Amendment
- New Zealand Waste Strategy
- National Energy Efficiency and Conservation Strategy
- Growth and Innovation Framework
- Research
- New Zealand Transport Strategy
- Public awareness programme



Emissions Charge

- To change relative prices to encourage lower carbon fuels and processes
- Implemented no earlier than 2007
- To integrate emissions cost into economic activity
- Possible design of charge under investigation



Negotiated Greenhouse Agreements (NGAs)

- Carbon charge may cause 'leakage' to countries with less stringent controls
- NGAs for 'competitiveness at risk' firms
- Partial/full exemption from charge if move to world's best practice in GHG emissions management



Projects to Reduce Emissions

- Award of Kyoto emission units to projects that will reduce GHG emissions below business-as-usual
- **First round:** 15 projects awarded almost 4 million emission units
 - Includes wind farms, hydro electricity, co-generation, industrial heat, landfill gas and bioenergy
 - 13 projects will produce 1,484 GWh (5.3 PJ) of renewable generation in 2008 – equivalent to 2 years of growth of electricity demand
- **Second round:** Tender closes on 15 October 2004; up to 6 million emission units available



Partnerships with Local Government

- Communities for Climate Protection Programme
 - Partnership with Local Government New Zealand, ICLEI
 - GHG measurement, target setting, and reduction measures
 - Training for emission reductions and adaptation planning
- Builds on EnergyWise Councils Partnership



Resource Management Decisions

- Powers of local government to regulate GHG emissions have been removed – now a central government responsibility
- But, when making decisions, councils are directed to take into account:
 - Efficient use of energy
 - Effects of climate change
 - Benefits of renewable energy



Small and Medium Sized Enterprises

- Policy for SMEs under development – aims to improve energy efficiency and reduce emissions
- Focus on energy-intensive industries
- Recognise competitiveness is a key issue
- Will develop sector and industry-specific guidelines for best practice by mid-2005
- Further measures under investigation



Policies on Sinks

- Government retains sink credits and associated liabilities for at least CP1
- Government assumes deforestation liability up to a cap: 21 million tonnes of CO2
- Government will employ some of the value of sink credits to enhance further sinks
- Permanent Forest Sinks Initiative – awards tradable units for afforestation/reforestation under covenant for permanent protection (option for limited harvest with “continuous canopy” after 35 years)



Agricultural Emissions

- Government will take responsibility for cost of non-CO2 emissions in first commitment period (2008-2012)
- Voluntary funding by industry for research on technologies to reduce emissions through the Pastoral GHG Research Consortium



Waste Policy

- New Zealand Waste Strategy
 - Partnership with Local Government New Zealand
- New national environmental standard for landfill gas capture and flaring (effective October 2004)
 - Ensure current best practice in landfill gas management
 - Standards for flaring
 - Destruction of collected gas via beneficial uses (e.g., electricity generation)
 - Applies to large operational landfills accepting municipal solid waste
 - Landfills with design capacity greater than 1 million tonnes of waste, receiving more than 5% organic matter



International Activities

- New Zealand focuses its efforts on building constituencies with key partners:
- Parties to the Kyoto Protocol;
- Australia and the United States, through our bilateral climate change partnerships; and
- Pacific Island countries.



www.climatechange.govt.nz

www.4million.org.nz



New Zealand Climate Change Office
Te Tari Pūkūhanga Kōwhiri i te Aotearoa



Ministry for the
Environment
Manatū Mō Te Taiao