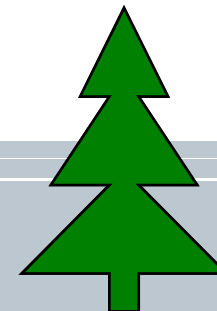
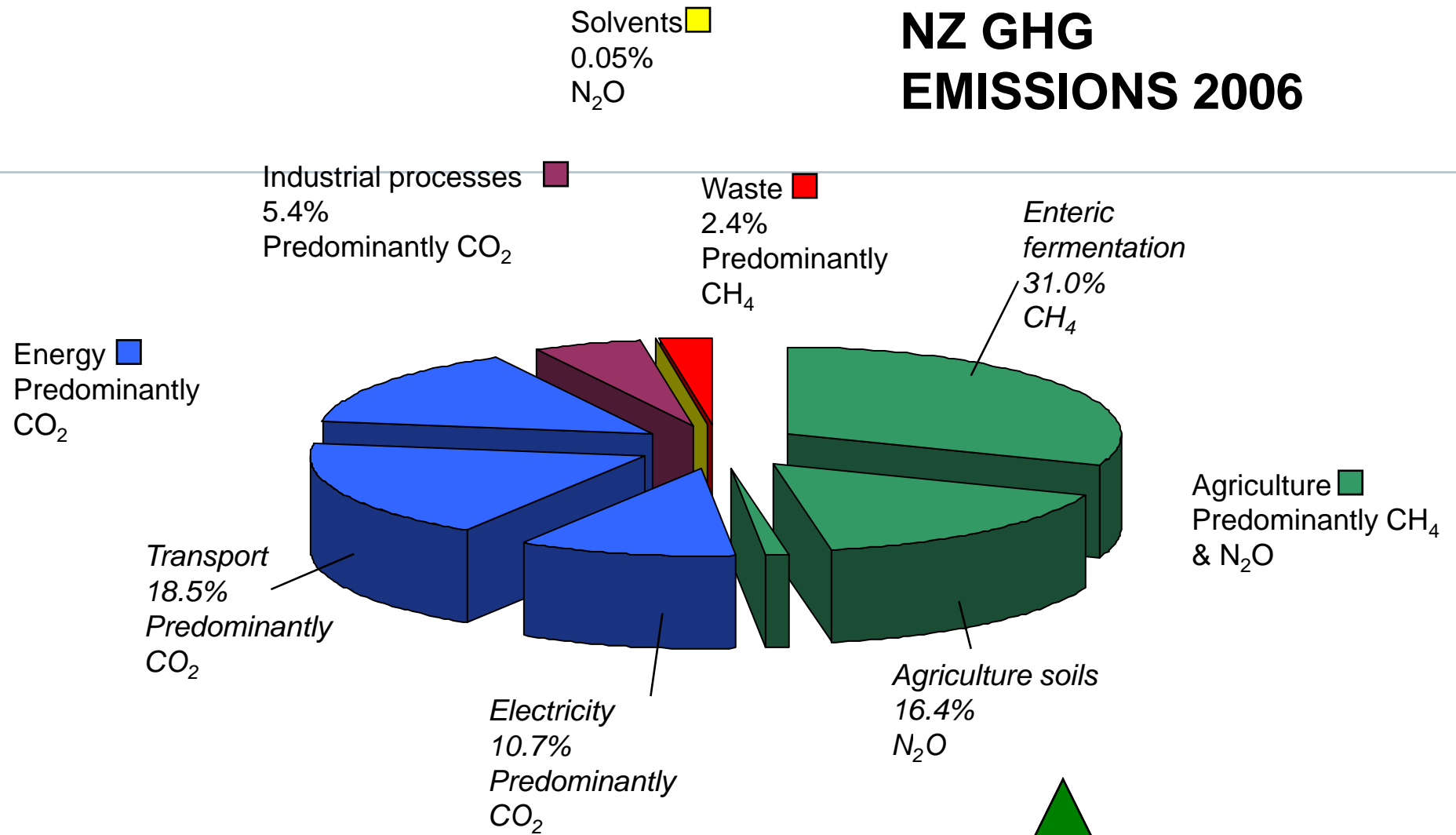


# Kyoto Protocol impacts on New Zealand

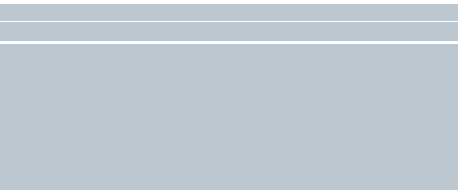
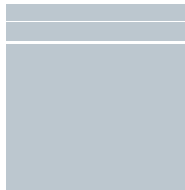


**Climate Change Summit, Sydney, July 2008**  
**Adrian Macey**

# NZ GHG EMISSIONS 2006



Forest sinks  
- 29.2% (CO<sub>2</sub>)



## **New Zealand and Kyoto: a brief history(1)**

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- **Signed up to a target of 100% of 1990 emissions (Australia 108%). Ratified 2002**
- **Expectation we would be a net seller of credits because of forest sinks**
- **Initial policy response: carbon tax...**
- **..with a conditional and temporary exemption for agriculture**

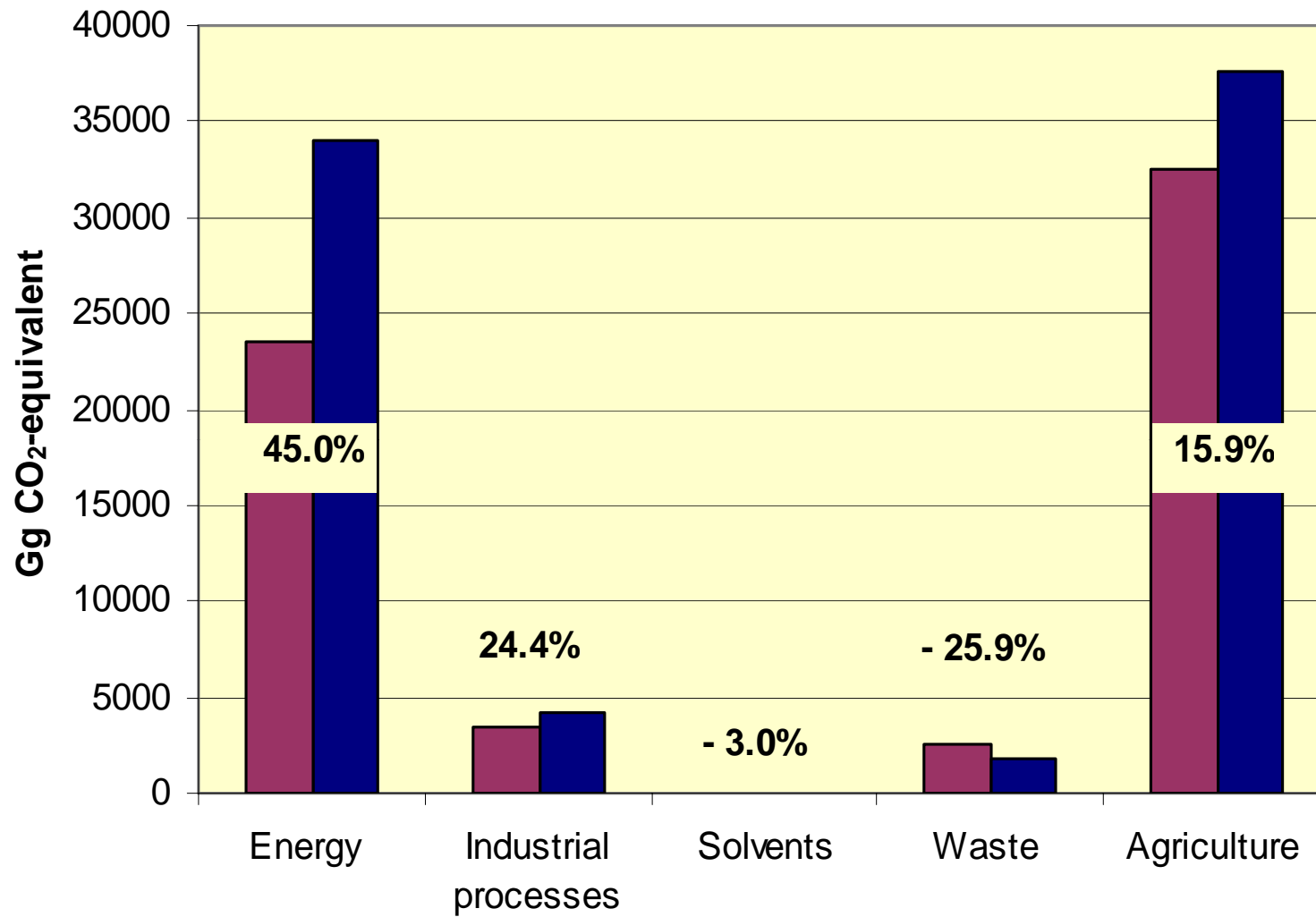


## **New Zealand and Kyoto (2)**

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- **Much business opposition**
- **Parliamentary Opposition opposed**
- **“Credit” turns out to be a deficit**
- **Agriculture research levy undermined**





■ 1990 Emissions ■ 2006 Emissions



# **New Zealand and Kyoto(3)**

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- **2005-2007 comprehensive review of policy**
- **Changed international and domestic environments**
- **Emissions trading scheme the result**
- **All sectors, all gases by 2013**
- **Principle: report emissions, surrender equivalent units**
- **Open to carbon markets**
- **Limited free allocation where justified**



# An ETS has bipartisan support

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- National Party: "... well designed, carefully balanced Emissions Trading Scheme as the best tool for efficiently reducing emissions." (Nick Smith July 2008)
- High interest in Australian policies
- Oil, food prices, recession have rekindled debate



## ETS costs/benefits ?

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- **“+ 9,600 jobs; + 12.35 billion dollars new investment”**
- **“taxpayer a far cheaper option to meet Kyoto commitments: one eighth of costs”**
- **“dairy farming -12.9% by 2025, land prices - 40%, -22,000 jobs”**
- **“-60,000 jobs”**
- **“30% drop in food production”**



# Sustainability and carbon neutrality

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- **Governing concepts for policy**
- **Reflect both NZ values and self interest**
- **Many policies outside ETS e.g. Energy Strategy: 90% renewable electricity target**
- **Energy Efficiency and Conservation Strategy**
- **Public sector leadership on carbon neutrality**
- **Business/govt cooperation – food miles etc**
- **Autonomous business initiatives**



# Concluding thoughts

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- **Kyoto has been a catalyst**
- **There are now other reasons move to low carbon economy beyond a need to meet obligations**
- **Australian relationships remain key**
- **Need for better public understanding**
- **Great care needed about further international rules and commitments**



# Further information

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- [www.climatechange.govt.nz](http://www.climatechange.govt.nz)
- [www.sustainability.govt.nz](http://www.sustainability.govt.nz)

