

Relying on foreign credits dangerous, say officials

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Paula Bennett ... ready to go

NEW ZEALAND cannot rely on international carbon credits to meet its emissions reductions targets after 2030, officials have told the Government, warning that credits could be expensive and in short supply.

Up to 80 per cent of New Zealand's target to cut emissions by 11.2 per cent below 1990 levels by 2030 is expected to be met through the purchase of international credits. But in a [confidential briefing paper](#) to climate minister Paula Bennett last May, officials said that the strategy was risky.

"New Zealand will need to rely on domestic forestry and international offsets to meet its 2030 target," the paper's [appendix](#) says.

"After 2030, continuing to rely predominantly on domestic forestry and international offsets presents risks. It may mean missing opportunities as key trading partners reduce domestic emissions and New Zealand businesses and households invest without clear signals about future policy direction."

Short supply

The briefing was prepared for a meeting the minister was to have with "key ministers" on May 25, 2016, to discuss climate change issues.

In a list of suggested answers to questions Bennett might be asked, officials said that international units could be in short supply.

"All countries are taking targets – therefore at some stage cheap emissions reductions overseas will dry up, and we'll have done nothing at home to prepare ourselves," they said.

They could also be expensive: “International units are uncertain. There is no guarantee about the volume or price that those reductions will be delivered at.”

The 2030 target requires an emissions cut of 249 million tonnes. The paper shows that existing policies (the Emissions Trading Scheme, forestry and electric vehicles) will deliver just 31 million tonnes, leaving a shortfall of 218 million tonnes.

Business sector

The majority of the emissions cut we do make will come from the ETS (including carbon sequestration in forests covered by the scheme), delivering 16.3 million tonnes of reductions.

Non-ETS forestry will deliver 9.2 million tonnes of emissions reduction, with electric vehicles cutting emissions by 0.7 million tonnes.

The officials advised the minister that she needed to get businesses and wider society talking about how the country could cut emissions.

She also needed to provide greater incentives to encourage domestic forestry (to sequester more carbon), continue to encourage cost-effective emissions reductions, and secure sources of international offsets.

Bennett has moved on the last point, holding talks at climate negotiations in Marrakech late last year with countries that might supply New Zealand with units.

Ambitious programme

And she says she is taking actions on the other issues. Yesterday, in reply to questions from Green Party co-leader James Shaw, who obtained the briefing, Bennett told Parliament that New Zealand would not meet the 2030 emissions reduction target if it kept on its current path.

“That is why we have got such an ambitious work programme going on with climate change – so that we can actually look at how we get those 235 million tonnes (of reductions),” she said.

“I am finding it quite amusing that the member thinks that a briefing from last May that said to me that if we continue doing things as we are now we will not reach our 2030 targets - as the minister I turned around and I have initiated a comprehensive work programme that gets us the right information, the right facts, so that, actually this Parliament, I hope, can make the right decisions so that we are making a difference for the future.

Ready to go

“So, yes, what they said back in May is exactly where it was. We have now got the Paris Agreement, we have got 196 countries signed up, we are ready to go, and, domestically, we will play our part.”

Another [briefing paper](#), dated April 29, 2016, and released to Carbon News under the Official Information Act last year, shows that under current policies, New Zealand’s net emissions will rise to 74,594 kilotonnes of carbon-dioxide equivalent in 2030, which is equivalent to 96 per cent above 1990 levels, or 38 per cent above 2013 levels.