Hon Paula Bennett
Minister for Climate Change Issues
Address to 9th Australia-New Zealand Climate Change & Business Conference
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Good morning everyone, it's a pleasure to be here today.

I just want to start by acknowledging Madeleine Wright, Fiona Driver and Gary Taylor, I really appreciate the invitation to come and speak to you.

You know if you told me when I first became a MP that in just a few years I'd be going all over New Zealand and in fact the world talking about climate change, I don't think I would have believed you.

But now that I've had the portfolio for 10 months, I've got to say I am really loving it.

When you strip away the science and politics, it's actually incredibly similar to the social portfolios I've had in the past.

It's about finding ways to change some of the structures that exist in society, and it's about finding ways to change behavior in people.

More broadly, it's about something very fundamental to New Zealand.

We take such pride in our natural environment, it's so deeply embedded in who we are.

We define our sense of place by the mountains and waterways that are closest to where we grow up.

We take to the world with that wonderful koru on the tail of our planes and the silver fern emblazoned on our chests.

And we work hard and earn a living from our environment, from agriculture through to forestry and tourism.

Climate change presents challenges to all of these things, and it's an issue I know all of you take really seriously.

Let me assure you, the Government does too.

None of us would be here if it wasn't because we don't want to make a difference and ensure we are working to leave to future generations a better world than we inherited.

One of the most remarkable things for me is how much the conversation has changed over last few years.

We aren't having the same acrimonious debates about the science or the scale of the task ahead.

Most people now accept that humans are having an effect on the world, and that we'll have to find different ways to live.

It'd be easy to think that this was the biggest hurdle, but I'm not so sure.

People might agree that change is happening, but the reality remains there is a great contest of ideas about when, how, and who needs to make adjustments.

If the size and sense of the problem aren't helping us really reduce emissions, then let's break the problem down so people aren't as intimidated by it.

In my other big portfolio, social housing, I like to say there are people challenges and building challenges.

We have to make sure we're getting people in the right house for the right length of time in the right place and for the right price, and we can't build houses quick enough.

Climate change is actually incredibly similar.

We have behavioral challenges, and technological challenges, which are closely interrelated.

Most people go about their lives in a fairly set and predictable way, trying to minimize the cost of making too many drastic changes to their routines.

As we know now better than ever, so many of these simple human activities are having a terrible effect on the planet.

So our first challenge is to find ways to encourage the types of activities that will help us meet our targets and reduce emissions.

Too many people still switch off when they hear the words climate change, not because they don't care but because it seems to be so overwhelming and large and complex that they just don't know how their family, business, or community can make a difference.

My response is to remind people of how much they've already changed, for the better.

When I ask people if they recycle, most of them say yes.

Same thing goes for using things like efficient lightbulbs, or paying attention to the energy rating on appliances they buy.

That's not at all to say that this is all people need to do, but you really can see people realize that they have already made some big adjustments to the way they live over the last 15 or so years.

Then there's technological challenges.

Now, some of these are easy and are already here – like the lightbulbs I've talked about.

Others, like efficient transport options, are becoming more popular and practical than they ever had been before.

Not only do I mean electric vehicles, but consider the rise of self-driving, on demand transportation that makes the need for everyone to own their own car far less likely.

And some are a bit more challenging, but will be hugely important for the global transition to a lower emissions future.

I'm talking about ways to reduce biological emissions from agriculture, and also reduce some of the damage we've already done.

Governments around the world have a big role to play in encouraging people to change, and supporting the kind of technological revolutions that we need, which is why the Paris agreement is such an important development.

It's easy to be cynical about these big global deals, but it's no exaggeration to say Paris is an unprecedented agreement that has put the world on the right path.

Getting almost every nation to agree to a deal of this scale and make commitments to reduce their emissions is no small feat, and it's backed up by rules around transparency and regular reviews that will help hold countries both big and small to account.

I was very pleased to have signed on behalf of New Zealand in April, and just last week we ensured New Zealand was amongst the early adopter nations that completed ratification.

New Zealand's Paris target, of 30 per cent below 2005 levels by 2030, is fair and ambitious, and will not be easy for us to reach.

It's going to require some changes from all parts of society, but I have no doubt that New Zealanders are up for it.

We're a nation that believes in and practices constant progress, even when people don't realise it, and the next 18 months will be critical as we plan New Zealand's response to climate change.

Large parts of our plan are already underway, and our target will be met through a combination of domestic emissions reductions, removals of greenhouse gas emissions in the atmosphere by forests, and international carbon markets.

The Government is currently looking at pulling together the various threads required to figure out a mix that works for our particular domestic circumstances.

I would like to take this opportunity to outline a few of the key pieces of work from our plan that are underway.

We are now halfway through the ETS review, and the most forceful message we have heard so far is that increased policy stability and certainty is critical.

Businesses need to know where policy is heading over the next 5, 10 and 15 years so that they can have confidence when investing in new technologies.

That's absolutely my commitment.

We've also heard a lot from foresters, especially that they want higher carbon prices and increased policy stability.

Well, we have higher prices, and we are now focused on making sure the NZ ETS provides increased policy stability.

We want to make sure businesses have a clear idea of where the NZ ETS is heading, know what role it's playing in our response to climate change, and that future changes we make are well signalled to businesses.

These are key drivers for the review.

As part of the review, we have already decided to phase out the 1 for 2 transitional measure, and we've seen this have a considerable impact on carbon prices.

The carbon price is now near [$19] and it was around $7 at this time last year. This change has been clearly signalled, and the phase out will allow businesses to prepare appropriately.

We are now looking at some of the big issues, including on what the supply of units into the NZ ETS in the 2020s might look like, and how to get more trees in the ground.

Some of the forestry changes we are looking at include how to make the NZ ETS more attractive to foresters.

We know that forests (and foresters) come in all shapes and sizes, so it's a matter of understanding what mix of approaches fit best.

This includes looking at how forestry is accounted for in the NZ ETS, and how to reduce some of the administrative and compliance costs faced by both foresters and the Government.

Forestry is so important because it's currently our most important source of domestic emission removals.

It can deliver at scale and is likely to cost less than purchasing international emissions reductions.

But the great thing about forestry is the environmental and economic co-benefits it brings within New Zealand.

These include erosion control, and biodiversity and water quality benefits, opportunities for our regional and iwi economies, and carbon removals beyond 2030

If forestry is cheaper than purchasing international units, and we think it might be, there is a strong economic case for planting more trees. .

For example: investing in 10,000 ha of forestry in 2018 will deliver 3.1 million tonnes of abatement over the 2020s, of the 235 million in total we need to reach our 2030 target).

This could reduce the number of units we'll need to purchase internationally.

A key focus of the NZ ETS review is looking at how to promote more planting by ensuring there is a good price incentive to plant trees, but we are looking wider than this.

We want to ensure the range of forestry policies we have will help deliver on our Paris target.

As part of our decision to ratify the Paris Agreement this year, we are heeding the calls from groups such as yourselves and setting up dedicated working groups to help us achieve our target.

In regards to the UK model establishing an independent 'Committee on Climate Change', we already have existing organisations in place that can provide independent advice to the government on climate change including

both the Parliamentary Commissioner for the Environment, and the Productivity Commission. We now have global momentum to lower emissions, but we must be mindful of potential unintended circumstances.

Input from business is also critical if we are to design the right policies and understand how these impact our emissions and economy.

We're committed to working with the forestry and agriculture sector to identify what's possible in these sectors, and what the benefits and costs of certain actions are.

That's why my colleagues Nathan Guy and Jo Goodhew announced advisory groups to look at forestry and biological emissions.

These groups will be used to test evidence, and ensure that future policy decisions have been informed by these key sectors.

The Ministry for Primary Industries has announced that it will be funding thirteen research projects in the agriculture and forestry sector totalling $3.1 million through its Sustainable Land Management and Climate Change research programme.

It is clear that New Zealand also needs to be better prepared to adapt to the effects of climate change.

A few weeks ago I announced we're establishing a technical advisory group to provide strong evidence and analysis on an economy-wide approach to adapting to the effects of climate change.

This can help us build resilience to climate change while growing our economy sustainably.

This group will complement the work of the biological emissions and forestry reference groups.

I expect to make announcements on this membership and term of reference of this group shortly.

The Government is also committed to supporting the uptake of more efficient transport methods.

I'm sure many of you will have seen the announcements by Simon Bridges regarding the Government's ambitious and wide-ranging package of measures to increase the uptake of electric vehicles. We are also seeing record levels of spending on public transport, and a programme of urban cycleways being rolled out throughout the country.

We've also recently lodged the New Zealand Aviation Emissions Reduction Action Plan to help tackle the environmental impacts of aviation.

As Energy Minister, he is also overseeing the continued growth of renewable energy.

The recently published Energy in New Zealand report shows that renewable energy provided 40.1 per cent of New Zealand's total primary energy supply in 2015.

The fantastic news is this is a record high placing us third in the world, behind other renewable superpowers Iceland and Norway.

In terms of electricity, 80.8 per cent came from renewable sources in 2015, mainly due to increased geothermal generation.

This is the highest renewable contribution in 20 years and shows we are well on the way to meeting our target of 90 per cent renewable electricity by 2025.

If you want to see more detail of the things I've talked about that we've done, that we are currently doing, and the things we still need to do, I encourage you to check out our recently released climate change snapshot.

I'll leave some copies here, otherwise you can find it online at the Ministry for the Environment's website.

Across the board, there is a lot of good work underway as we develop that plan for the next 18 months, so we can have a good understanding over the next 10, 20, even 50 years.

I want to reiterate our commitment to providing as much certainty as we can to businesses and consumers about what New Zealand will need to do.

If you are ever in Parliament, and you wander around you'll notice older versions of New Zealand's coat of arms.

Underneath it is the motto they used on it, one simple word – Onward.

If there was a word that summed up what I believe is great about this fantastic country is we're always trying to make things better.

We don't always agree on things, thought I don't think it's about right and wrong, but about a range of actions and solutions. Everything counts, and there is a need to be careful about unhelpful, unintended consequences in policy decisions. Overall, I think we all genuinely want to move forward.

There's more work to be done, but I am optimistic we're on the right track and that we will find better ways to live and to leave this world for future generations.

Thank you.