

Beyond Paris

a business perspective

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The “Yes We Can” Symposium

Intercontinental Hotel
Wellington
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Timeline

1992 UNFCCC ratified

1997 Kyoto Protocol negotiated

2005 Kyoto Protocol comes into force

NZ Emissions Trading Scheme begins

2008

Planetary boundaries released

2009 Copenhagen COP15

56% of NZ consumers say climate change is world's biggest problem

2014 Lima COP20

MCG-SBC Business brief on climate

2015 Paris COP 21, Paris Agreement

Business sees...

- both risks and opportunities, more awareness of the 'window of opportunity'
 - it makes good business sense
 - good for NZ-inc brand
- low-CO₂-e economy ≠ ETS alone
 - carbon pricing only a part of the sustainable business story
 - other factors relevant - changing consumer preferences
 - most New Zealand businesses in the global supply chain

Business journey well underway

Over
half
publicly reporting
emissions
reductions

61%
Have initiatives
to reduce
emissions

52%
think climate is a
material issue

1-100 years
range of climate
strategy targets

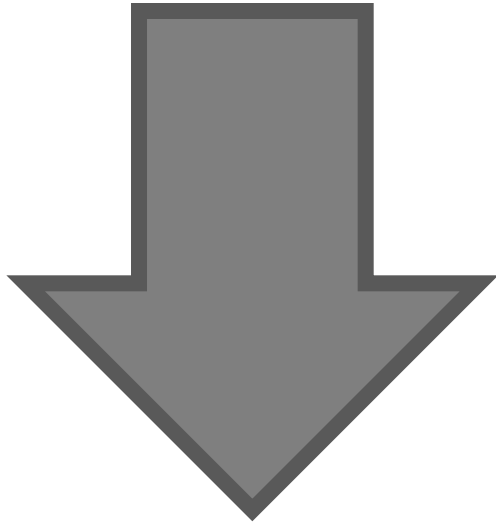
What business is already doing

- helping to shift the conversation along by making sustainable business practices a 'safe' conversation
- collaboration on:
 - low-emission transport
 - freight efficiency ('hubbing', rail, etc)
 - energy efficiency
 - improving urban infrastructure
 - business leadership

The impact of Paris

- The Paris Agreement brings clear goals and sets the direction of travel
 - within 2^o, and preferably 1.5^o
 - regular reviews
 - food security and forestry rules in the mix
 - growing acceptance of carbon markets

A serious signal to business

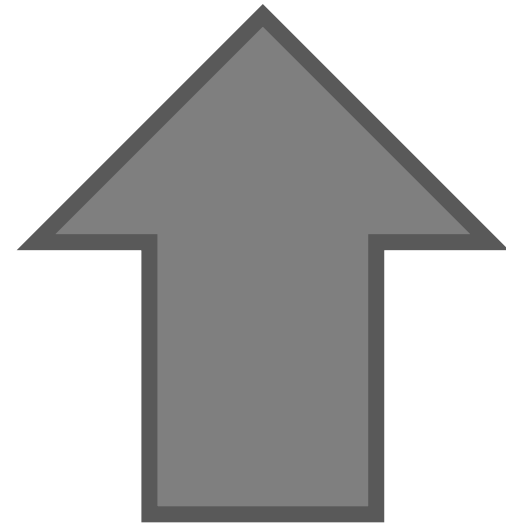


Top-down

Credible global
commitment to
actions

Bottom-up

Business at the table
at Paris...nationally
determined targets

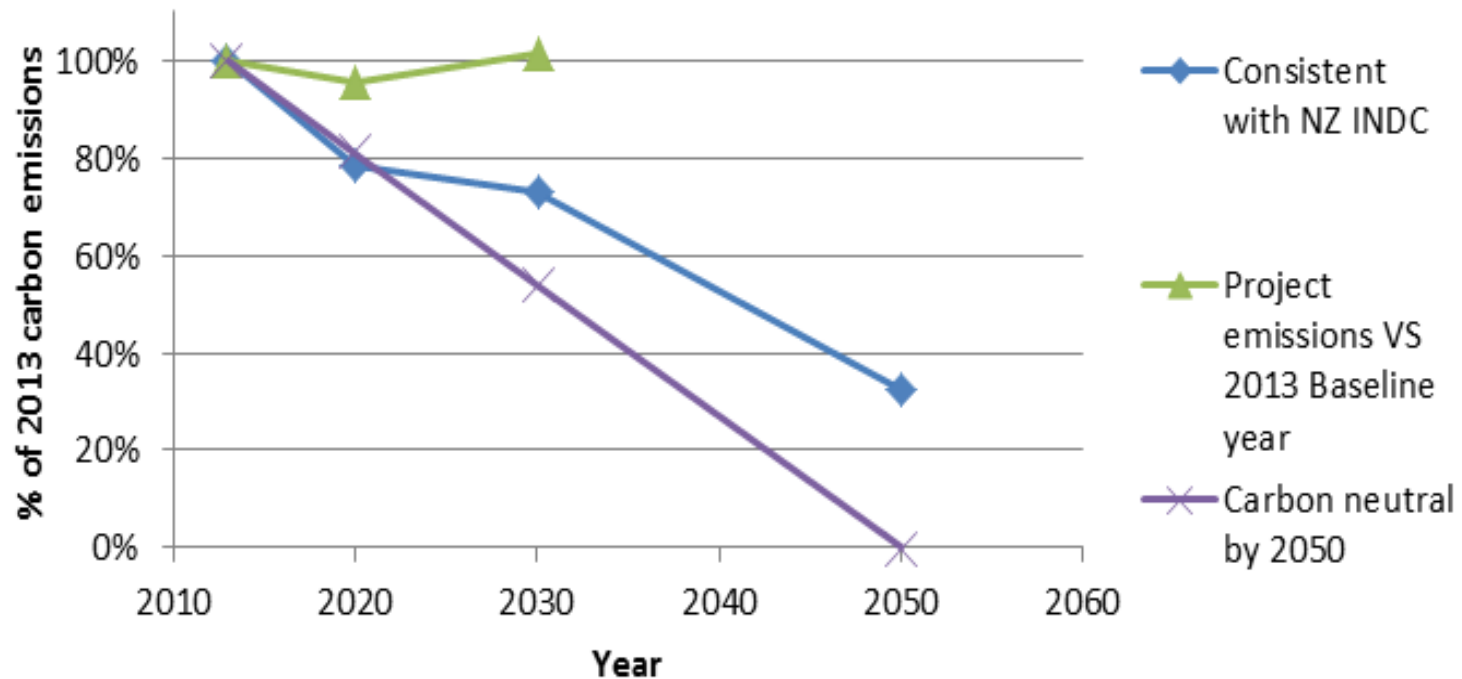


The business challenge

- adjusting to a carbon constrained (priced) world while:
 - staying internationally competitive
 - avoiding investment & carbon leakage
- in the face of:
 - moderate and on-going progress at the international negotiations
 - asymmetric implementation of climate change policies across countries

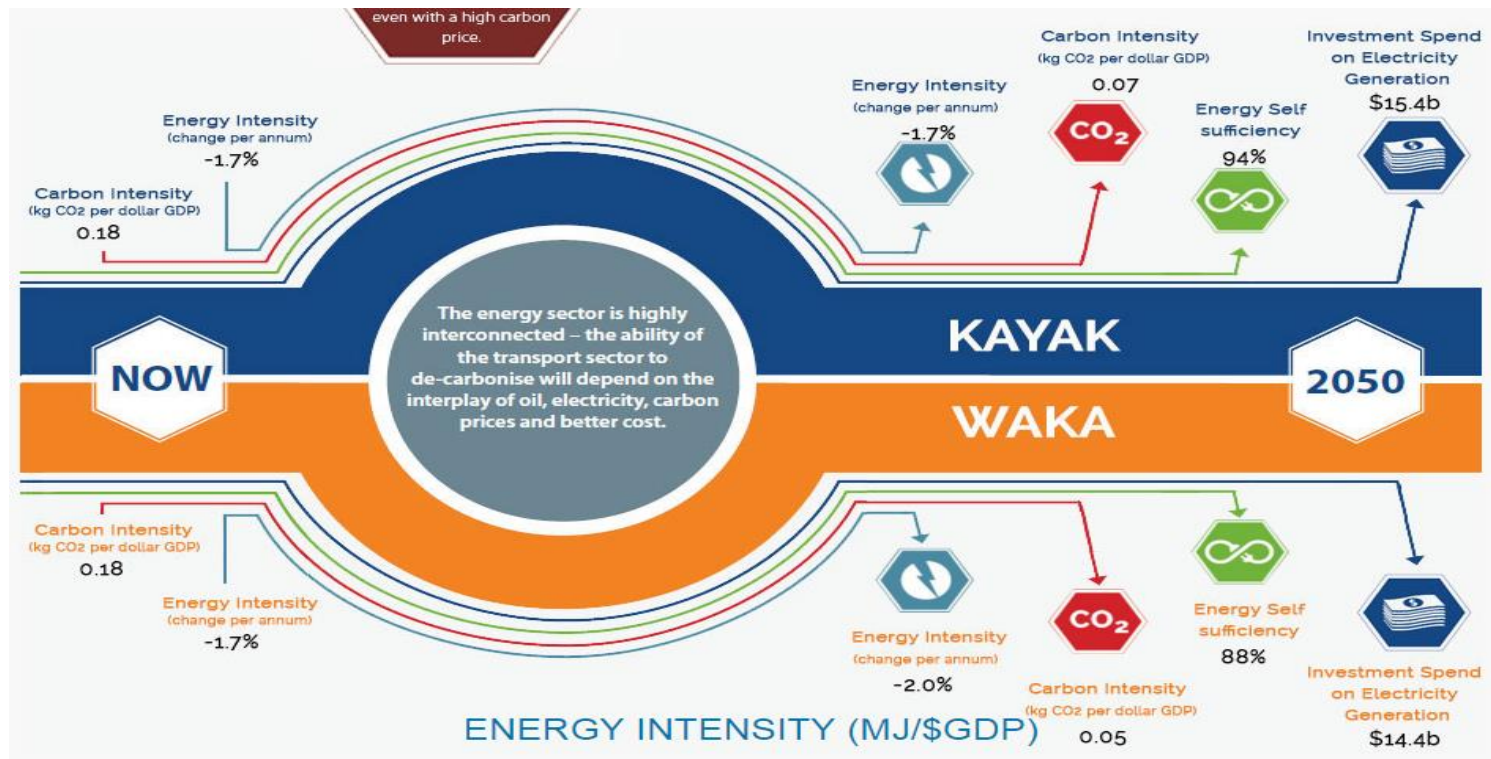
The pathways we take

- projected carbon emissions vs pathways to INDC targets and carbon neutrality



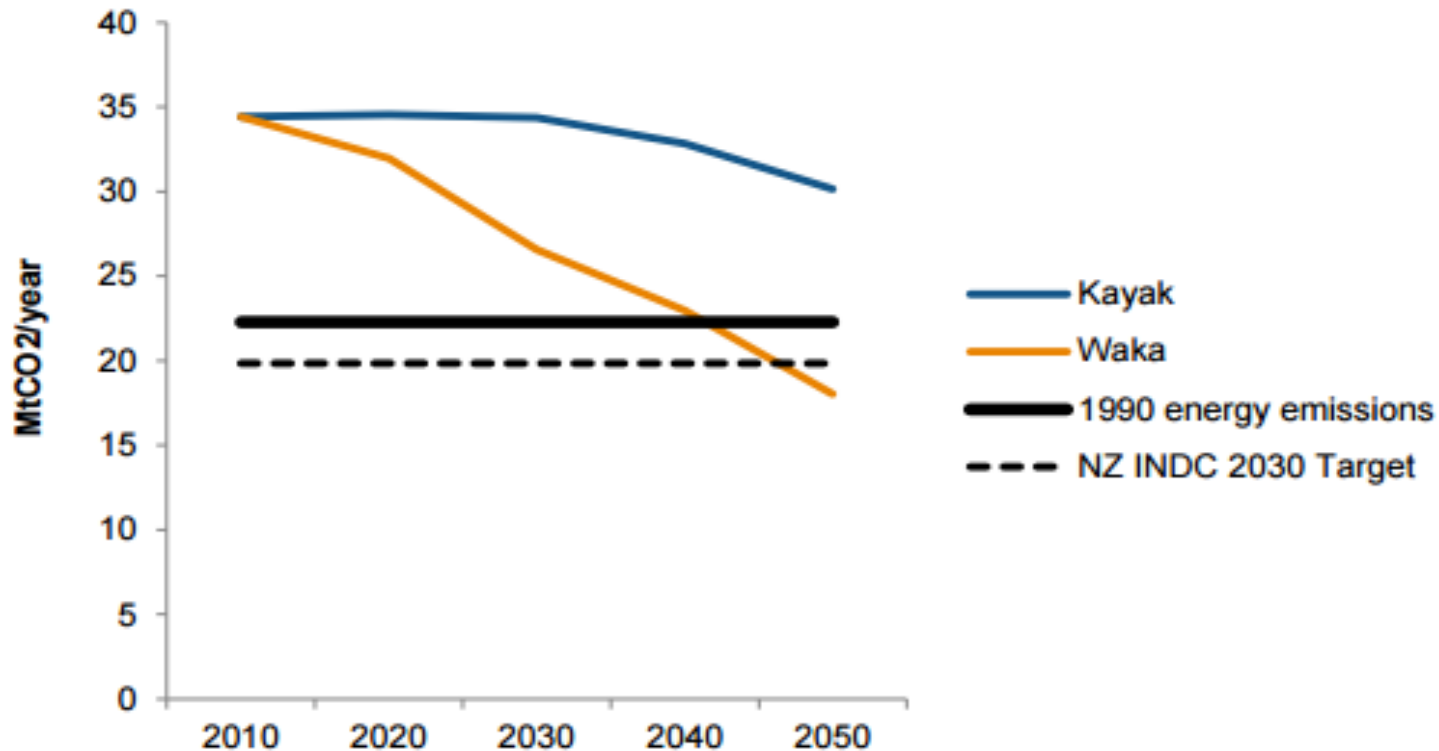
The Practical Reality

- reductions in gross emissions will be difficult but not impossible



Kayak vs Waka

- even with a high price of carbon, further significant reductions in energy sector emissions will be challenging



Determining what action we take

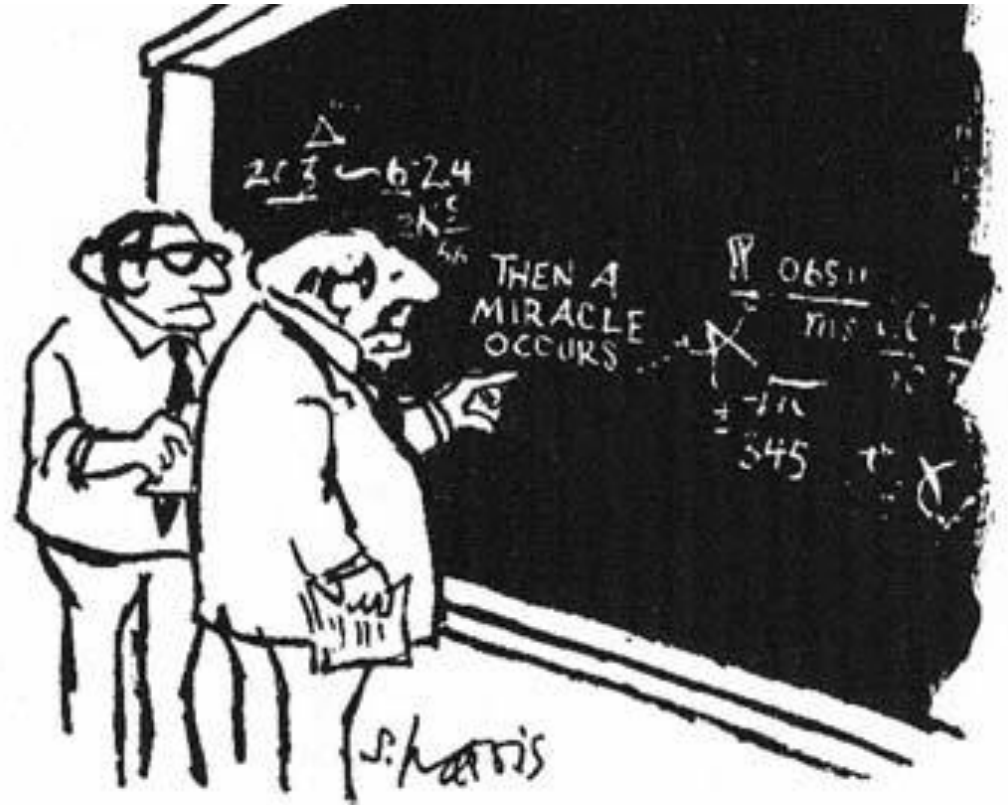
- action needs to address some key questions:
 - what does keeping global temperature increases below 2° mean for New Zealand?
 - how do we determine what New Zealand's share of action should be?
 - what environmental gains should we pursue and at what cost?
- action needs to take New Zealand's unique circumstances into account

What business wants

- business is the key solution provider
 - it will be the business community that delivers on targets, and their consumers
- business wants
 - a deeper more mature conversation with Government
 - a more predictable environment that supports business to accelerate change
 - a clear goal, setting out NZ's ambition on climate change
 - a pathway to achieve that ambition

Avoid the “and then magic happens” approach to change

- the challenge - to find solutions that accelerate reduction in carbon from energy use while maintaining sustainable business
- clearly identify the market failure
- be clear about respective roles
 - business
 - government
 - both



“I think you should be more explicit here in step two.”

Government's role

- signal ambition and provide leadership
 - help catalyse greater effort by business
 - cross-agency collaboration at Ministerial and official level to drive strategically coherent change
- don't fixate on the ETS
 - focus on a wide range of measures
- be the credible provider of data & information
- practice what it preaches
 - require sustainable procurement

What next for business

- 'Vision 2100'



Thank you

- **Get in touch:** jcarnegie@businessnz.org.nz