



# 50 by 50: New Zealand's Climate Change Target

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John Key MP

NATIONAL PARTY LEADER



It's a real pleasure to be addressing my own Regional Conference as Leader of the National Party.

I'm hugely proud to be a Member of Parliament in the Northern Region and I feel privileged to lead our great party.

The National Party is built on age-tested principles that reflect what is best about New Zealand. We are a party of enterprise; a party of personal freedom and individual responsibility; a party of family; an inclusive party; a party of ambition.

We believe in every individual's capacity to shape their own life, and we believe in this fantastic country of ours.

New Zealanders from all walks of life make National what it is and we take strength from our diversity.

Today, I would like to thank every member and volunteer here who helps make this party strong. In particular, I would like to acknowledge the work of Regional Chair Alastair Bell, and Party President Judy Kirk.

The efforts of our members are what keep us vibrant; keep us connected and make us heard. So thank-you.

I am excited about what lies ahead for us.

National is absolutely committed to winning the next election. And the one after that. And the three after that!

We have the drive. We have the fresh ideas and we have the people.

Our caucus is in cracking shape.

I am proud to lead a group of men and women who are experienced, driven, and in tune with ordinary New Zealanders. I'm also proud to be one of National's 18 representatives in the Northern region.

Let me acknowledge our wonderful line up of Northern MPs, six of whom were new at the last election.

Allan, Clem, Jackie, John, Jonathan, Judith, Lockwood, Maurice, Murray, Pansy, Paul, Paula, Phil, Richard, Tau, Tim and, last but not least, Wayne.

Each of them has got their teeth into real issues and put their hearts into their work.

While Labour's Ministers spend time asking each other patsy questions in Parliament, these MPs stand up and ask the hard questions. The questions that matter.

So I say thank-you to every single one of them.

We're a brilliant team.

And it's not just me who thinks it. New Zealand thinks it. I've spent the past six months travelling up and down this country and I'll tell you what – Kiwis are looking to National.

Even people who voted for Labour in 2005 are telling me they don't think Clark and Co represent the future of this country.

Kiwis are sensing what I see every time I return to Parliament.

Helen Clark has lost her mojo. Turns out she lost her Taito as well.

Labour has lost the pulse of the people and it has lost New Zealanders' hearts.

'Third -term- itis' has well and truly sunk in. It's up to National to ensure this 'third -term- itis' is terminal.

Labour came to power saying hospital waiting lists were a disgrace.

Those lists have only got worse.

Labour's attempts to manipulate the numbers by bumping sick people off waiting lists is the new disgrace.

Labour came to power saying it was unacceptable that Kiwi kids were leaving school unable to read, write and do maths.

Billions of dollars later and their own agency reports that a shameful one in five kids are failing at school.

Labour came to power saying they'd be tough on crime.

Well, Labour should ask Karl Kuchenbecker's family if they think they've lived up to that promise.

Karl Kuchenbecker – a good man, a father of two young boys - was tragically killed by a man on parole. A man who should have been locked up for life.

A Government I lead will not put up with that.

Labour's attempt to blame every problem and crisis on past governments has lost credibility.

They have had nearly eight years – a fair shot by any definition.

I am convinced we can do better for this country.

That's why I'm determined to lead National to Government in 2008.

I am determined to serve all New Zealanders with the strength, the courage and energy that they deserve.

I'm ready to ratchet this country's dreams up a notch!

To do so we need to maximise the contribution of every single New Zealander.

That's why National will applaud aspiration, that's why we'll back ordinary Kiwis, and that's why we'll stand up for the things that matter.

We are determined to make this country as great as it can be.

I see a great mission ahead of us.

New Zealand is at a critical juncture in its history.

In a new century we find ourselves in uncharted waters. Big winds are blowing in our direction.

The explosion of the Internet is bringing billions of potential customers within our reach.

Our booming and ever-wealthier Asian neighbours are reaching out for new services and new products.

People everywhere are seeking safe and green havens in an increasingly unstable and dirty world.

New Zealand must harness these global opportunities and ensure every Kiwi can use them to build a better life.

We have to be more ambitious, more outward-looking, and more responsive than ever before.

We must act now to give the New Zealanders of tomorrow maximum opportunities, security and choices.

These are our children and grandchildren I am talking about. As we have had the gift of a great country, so must they.

Tragically, Labour is running dial-up policies in a broadband world.

It has lost the pulse of the people and it has lost New Zealanders' hearts.

To steer this country forward we've got to change the tack, we've got to change the crew in Cabinet, and above all – we've got to change the Captain!

In the lead-up to election 2008, National will set the agenda.

We will focus on the issues that matter to ordinary Kiwis and that are vital to the success of our country.

There are three themes that I will keep coming back to as I lay out my vision: the economy, education and the environment.

I will keep coming back to those three 'Es' because they are the things that I think will be vital to New Zealand's success in our rapidly changing world.

In recent speeches I've spent time talking about National's plans to lift the performance of our economy and improve our education system.

## Climate Change

Today I am going to talk about the third "E", the environment.

In particular I'm going to speak about the biggest environmental challenge of our time: global climate change.

The National Party will ensure that New Zealand acts decisively to confront this challenge.

The scientific consensus is clear: human-induced climate change is real and it's threatening the planet. There are some armchair sceptics out there, but I'm not one of them.

All New Zealanders want to preserve our world and the way of life it affords us, our children and our grandchildren. That ideal is not the preserve of the Labour and Green Parties – it's a Kiwi instinct.

We are fair-minded people, and tackling climate change requires global action – and, as a responsible international citizen, New Zealand should stand up and be counted.

But New Zealand's efforts on climate change aren't just about being a good international citizen and doing our bit for the planet. After all, we account for only a tiny portion of the world's greenhouse-gas emissions.

Action on climate change is also needed to ensure the prosperity of New Zealand's economy in an increasingly carbon-conscious world.

National is committed to growing our economy. Confronting climate change will be a vital part of the policy mix for fuelling that growth.

On the one hand we need to defend our economy.

In the decades ahead, peoples' perceptions around climate change will affect the brand image of New Zealand and its exports. New Zealand must take credible steps to reduce greenhouse gas emissions or risk becoming a trading pariah.

We're going to need some serious climate 'cred' to tackle the 'Food Miles' bullies.

We also need to be on the economic offensive.

Climate change awareness will create new markets for Kiwi industries, tourism, and technology. It's estimated that demand for low-carbon products will be worth at least \$500 billion per year by 2050. Countries and consumers will be crying out for climate-friendly products and innovations.

New Zealanders must position our economy and businesses to take advantage of those opportunities.

In short, the question is no longer whether New Zealand should act on climate change – the question is how we best act.

## Labour's record Vs Labour's rhetoric

Today, I'm going to lay out how I think we best act.

But first I'd like to deal to a dangerous myth that Labour are hoping Kiwis will be gullible enough to swallow.

They want you to believe that they're the patron saints of climate change.

For sure, Labour have been singing from the right hymn-sheet, but let me tell you that they've got some serious confessions to make.

Labour signed the Kyoto Protocol in 2002 and said that New Zealand was so well set up that we'd get a big fat cheque for our efforts.

Only now it turns out Kiwi taxpayers are the ones who have to sign that cheque. It's not a cheque for more operations or better schools – it's a cheque to buy Labour out of their climate change policy failure.

Helen Clark's policies have seen New Zealand's greenhouse gas emissions grow faster than ever before. Between 2000 and 2005 alone, New Zealand's emissions grew by 6.8 million tonnes. The weight of that gas is more than 16,000 fully laden jumbo jets, 260 titanics or 20 Empire State Buildings. It's a big increase.

Labour's policy framework has been characterised by uncertainty and indecision. Their eight years in Government have seen a revolving door of climate-change interventions: The fart tax, the carbon tax, and the negotiated greenhouse gas agreements have all been abandoned. Tens of millions of dollars have been spent on an energy-efficiency strategy that saw the annual rate of improvement in energy-efficiency fall.

The most damaging area of Labour's climate change policy is what happened in forestry. In the 50 years to 2003, New Zealand each year planted an average thirty thousand hectares of new forests. After Labour broke its word on forestry credits, we've had deforestation for the first time since those records began. The media is describing this as a "chainsaw massacre".

The billion-dollar Kyoto cheque is the price Kiwis have to pay for Labour's eight reckless years of dithering on climate change policy.

Let me be clear: National will not pull out of the Kyoto Protocol; we are committed to honouring our international obligations. But I think Labour's failure to prepare New Zealand for the protocol's binding requirements has been irresponsible in the extreme.

In the face of this unabashed failure it beggars belief that Helen Clark is now trying to position herself as some kind of climate-change superhero.

It's like the Grinch posing as Santa Claus.

I know Labour has a habit of writing big cheques at the taxpayers' expense, but I'll

tell you one cheque that Kiwi taxpayers can't afford – the cheque for Helen Clark's "carbon neutral" pledge.

Helen Clark hasn't actually set a target for the realisation of this pledge. I suspect that's because she knows it's impossible to fulfil without making a devastating hit on the Kiwi economy.

Kiwis value their living standards and their jobs. They don't want to pack their bags and join the Amish, and they don't want to see more Fisher & Paykels skip the country.

Don't get me wrong. I'm confident that many New Zealand businesses and individuals can and will become carbon neutral. I'm pleased that more and more are striving for it.

But making one household carbon neutral is quite a different thing to making the entire country carbon neutral. Not even the Green Party thinks that will be achievable in Clark's lifetime.

Labour's proposed pathway to carbon Nirvana consists of nothing more than a few pennies in the well.

Take their flagship scheme of getting six government departments to go "carbon neutral" in 2008. The emissions that will save over one year will be wiped out in just over half a day by greenhouse gas emissions from electricity generation alone.

And the 180 tonnes estimated to be saved from Parliament's proposed new fuel-efficient cars – that will go in less than half an hour:

So today I say this: don't be sucked into believing that Labour has the solutions on climate change. When Helen Clark talks about achieving carbon neutrality, Kiwis need to remember her track-record of skyrocketing emissions.

She talks the talk but she does not, and she cannot, walk the walk.

### **50 by 50: New Zealand's emission reduction target**

National will do much better at reducing New Zealand's emissions than Labour has done.

We are committed to implementing economically sound and environmentally effective climate change policy.

We have a clear unifying vision for our climate change policy and we have a firm grip on economic reality.

As a starting point we think New Zealand needs a credible emission reduction target to strive for:

A "carbon neutral" goal with no timeline just won't cut it.

New Zealand needs a real, timebound target for two key reasons:

First, in a world that is looking beyond Kyoto, New Zealand needs to make a definitive and credible statement about our intended long-term contribution to the battle against climate change.

Secondly, we need to give Kiwi taxpayers, business, industries and farmers a clear signal about where climate change policy is headed in the long-run so that they can plan and invest accordingly.

National understands that to make good decisions, investors need early and clear warning of what emissions levels Government will allow in future. Sending clear signals about long-term intentions is just good economics.

The target needs to meet three key tests: it needs to be internationally credible, suitable to New Zealand's unique economic profile, and time-bound.

So today I will do something Helen Clark has never done and I doubt she ever will.

I will set the achievable emission reduction target for New Zealand.

Here it is: A 50% reduction in carbon-equivalent net emissions, as compared to 1990 levels, by 2050.

In shorthand: A 50% cut by 2050. 50 by 50.

If I am Prime Minister of New Zealand I will write this target into law.

Good luck to Helen Clark if she wants to write a time-bound "carbon neutral" target for New Zealand into the statute books!

National's '50 by 50' target will send a clear message to the world: New Zealand means business on climate change.

This target is comparable with targets being set by other developed nations and it makes sense for New Zealand's agriculture-intensive economy.

I make no apologies for promising less than Labour; because National will deliver more.

I want to save the planet as much as the next guy, but at the end of the day I'm more interested in every Kiwi having a job than I am in becoming the United Nations Secretary-General.

If you want to be counted, first you have to stand up and set a real goal, and a deadline for achieving it. National today has done that. Labour has not.

### **How we'll get there**

There are a series of sensible policy steps that New Zealand can take to meet this target, and that National will take in government.

We won't lurch from one climate policy to the next like Labour has – we'll be predictable and consistent.

National will have policies that reflect the fact that living on a diet of carbon will be increasingly bad – bad for the world and bad for our economy. We will have policy that encourages ‘climate friendly’ choices like windmills, hydro power and tree planting, and reduces the desire for ‘climate unfriendly’ behaviours, like burning coal.

We’re also realistic about the fact that right now the only way farmers can significantly reduce their emissions is by selling their stock. Farmers all over the world are going to need a better way than that to be ‘climate-friendly’, so New Zealand should get ahead of the curve by pushing along research and development in this area.

The overriding question for National will always be: who can reduce emissions at least cost to society and to the economy? We will work to reduce the cost of climate change to businesses, to taxpayers and to the environment.

Over the next months and years we will continue to announce climate-change policies, but today let me outline the first key steps we will take:

1. We will introduce a comprehensive ‘cap and trade’ emission permit system to manage greenhouse gas emissions. This system will encourage cost-effective emission reduction across the economy.
2. We will make it easier to invest in renewable energy by reforming the Resource Management Act. We think it’s ridiculous that Labour is allowing sensible wind-farm and hydro developments to be caught up in red tape while Government-owned power stations burn more coal and gas than ever before.
3. We will encourage tree planting. Labour’s war with the forestry sector has led to a chainsaw massacre of trees. We will incentivise more planting and less cutting by giving some carbon credits to the foresters who planted the trees in the first place.
4. We will boost research and development, especially in agriculture. No other country has as much of a vested interest in solving the problem of methane emissions as New Zealand does. Agricultural technology, especially in ruminant microbiology, has the most exciting potential for big climate-change gains, both economic and atmospheric. We already corner the world market for science skills in this area but even so, we have fewer than 25 scientists working in fields related to ruminant microbiology. National will up the ante.
5. We will promote and develop new global solutions. We will honour our Kyoto obligations while steadfastly working for additional and future global alliances. We believe a strong New Zealand voice on climate change is vital to the “brand” our exporters rely on, and can be a key force for rallying the global troops. We will particularly pursue trans-Tasman solutions and co-operation. National sees trading advantages in a trans-Tasman carbon market and in co-operation with Australia on research, development and technology.
6. We will give Kiwis incentives to make climate-friendly choices. Whether it’s

catching a bus or buying an energy-efficient appliance, every individual can make a contribution to reducing New Zealand's emissions. Government has a role in ensuring Kiwis have access to the infrastructure, clear information and meaningful incentives that encourage the most climate-friendly behavior.

### **Opportunity not fear**

Before I end today I want to share my optimism. It's all too easy for this subject to become imbued with doom-saying and negativity.

Too much time is spent hand-wringing about how climate change will work against us. We need to focus on how we can make it work for us

I am hugely hopeful about New Zealand's ability to maximise the opportunities presented by this global challenge.

I have faith that New Zealand can influence the world, and I have faith that New Zealanders can rise to this global economic shift.

Our businesses and farmers have proven themselves again and again to be adaptive, innovative and nimble in response to world trends. History has proven New Zealand to be capable of huge determination in the face of global challenges. Under National we will be determined again.

Finally, I have faith in New Zealanders. I have faith that every single one of you values our environment and is prepared to act to preserve it. It is in our interest and it is in our nature. I know we can rely on Kiwis to do their fair share.

I want to reward Kiwi good-mindedness by leading a Government that acts in an economically sound, principled and visionary way to tackle the greatest environmental challenge of our time.

National will bring all Kiwis – industry, energy producers, farmers, mums and dads – closer to a shared and well-understood goal. We need to be united in our pursuit of a '50 by 50' target.

Only National has a real target and only National can be trusted to really do New Zealand's best on climate change.

Helen Clark may say "carbon neutral" more times than we do, but rest assured, National will be coming up with sensible climate change policies that outlast today's trendy buzzwords.

Finally ladies and gentlemen, let me tell you, only National can be trusted to make the great climate change challenge of today into tomorrow's great climate change opportunity.

### **Yesterday's gone**

Before I leave you today, let me sound a warning. The National Party is up against a desperate, dying Government.

As Labour becomes panicked about the prospect of leaving office, you can expect them to resort to a cynical game.

There may well be bribes and there may well be unfounded accusations.

But in the end, Helen Clark will resort to what she knows. And what she knows are the battles of the 1980s and the 90s.

National must not be tempted to engage in those never-ending debates. Kiwis don't want to resurrect the mothballed decisions of history.

We owe a debt to those who came before us, but we do not honour them by re-entering the battles that have already been won and lost.

We must not allow Helen Clark to dress our new national conversation in the dated clothes of our yesterdays.

We are in a new century and a new millennium, with different and more complex challenges.

The debates that Helen Clark cut her political teeth on are over.

The next election will not be a choice between where we are and where we've been. The next election will be about where we go next.

It's time to turn the page. I'm impatient for tomorrow. New Zealand is impatient for tomorrow.

A new generation is ready to take the helm. It's time to put National on board and welcome the winds of change.

Only National has the vision.

Only National has the energy.

Only National can map out the future that this country deserves.

Ladies and gentlemen, my fellow National Party members, there is plenty of work to do.

Strong tides have brought us here, and there are stronger tides to come. Get yourselves ready because we're going to need all hands on deck.