

Ecumenical Climate Justice Network

Policies for Climate Responsibility, Te Tiriti o Waitangi and Equity

Letter to Prime Minister and

**Hon. Ministers: Finance, G. Robertson; Environment, D. Parker; Social Development, C Sepuloni.
Cc Climate Change Commission**

The Churches' Climate Justice Network congratulates you for your leadership as Prime Minister, the Minister of Finance for the crisis response package, and the government for your decisive response to the COVID19 crisis.

We value the emergency measures to protect the most vulnerable – such as the elderly, immune-compromised, homeless and those facing redundancy or lost wages in the immediate impacts of the crisis.

We want to see promotion of the environmental gains that the COVID19 situation has highlighted, such as reduced carbon emissions, air pollution and waste.

Our detailed proposals are attached below.

Summary

Finance:

- We fully endorse the \$12 billion crisis response package for wage subsidies, income support, finance guarantees for small to medium sized businesses, healthcare, and provisions for Māori communities and health providers.
- We support a *Te Tiriti o Waitangi* framework for policy with the **Climate Change Response (Zero Carbon) Amendment Act** foremost, with **Just Transitions** built into the recovery policies along with reducing carbon emissions to achieve a zero carbon economy by 2050.

Housing:

- Government-sponsored affordable housing for low income people.
- Prioritise Māori housing policy based on iwi-led priorities for meeting housing needs. Support and extend initiatives for community based and/or cultural initiatives for meeting housing needs.

Tourist travel and tourism assets:

- Redirect international tourism to tourism within NZ, and lower-carbon travel initiatives.

Food and health:

- Support moving from animal-based agriculture to horticulture.
- Provide a regenerative farming fund.

Ecosystem health and biodiversity:

- Recalibrate the economy to support ecosystem health and enhance biodiversity.
- In addition to regenerative agriculture:
 - Fully implement the Essential Freshwater programme.
 - Invest in ecological infrastructure.
 - Establish an ecosystem health fund to support planting 5-10 metre strips along waterways, indigenous habitats and native trees.

Wellbeing: equity, employment & sufficiency of income:

- Promote long term regional development plans and support for iwi to generate sustainable businesses that employ and train local people.
- Integrate information held by WINZ and employers to link beneficiaries who are available for work with employment opportunities, especially in 'green' economy sectors.
- Subsidise employment of long-term unemployed, with mentoring or other social or mental health support
- Be resolute in moving out of coal accompanied by the Just Transitions policy.

- Invest more funds in training NZ nurses, teachers, midwives, civil defence, doctors, builders, plumbers, electricians.
- Prioritise policies to reduce inequality and eliminate poverty, including a Living Wage, and consider a Universal Basic Income.
- Widen the range of things that people can do in exchange for the benefit, including reward for caring for children and elderly and enabling people to retrain easily.
- Plan for future pandemics and health shocks and where there are insufficient local suppliers – create new suppliers across NZ for greater resilience

Transport:

- Incentivise electric vehicles and public transport and reduce expenditure on new motorways.
- Divert spending away from larger and more numerous roads, as they promote fossil fuel transport and air pollution.

Energy:

- Incentivise NZ's low-carbon energy options, and disincentivise carbon-intensive / fossil fuel projects to fit with our Zero Carbon goals.

Funding and taxation:

- Source government borrowings from NZ sources such as NZ Superannuation Fund and Reserve Bank purchase of govt bonds.
- Carbon/Environmental Tax, so that business and individuals get a balanced idea of the real cost of their practices on the environment and ecosystems.
- A Tobin (Financial Transactions) Tax of 0.1% on all transactions over \$1 million to help fund a UBI or similar system of income support.
- Where government bailouts or funding is provided to large businesses it should be only to NZ – based businesses.
- Remove tax on incomes below \$14,000 pa.
- Review carbon offsetting schemes (such as for airline travel).
- Pursue research and policy on taxation of fossil-fuel based fertilizers and methane emissions.

Education:

- Support professional development for teachers on climate change teaching and learning.
- Re-orient teacher education towards social, economic and environmental integration.
- Prepare a curriculum that develops climate justice literacy from early childhood through to vocational and tertiary education.
- Develop a collaborative approach to education, including taking education beyond the classroom, bringing together formal and informal sectors for mutual benefit.

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On behalf of The Churches' Climate Justice Network:

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Full Proposals

The Churches' Climate Justice Network congratulates you for your leadership as Prime Minister, the Minister of Finance for the crisis response package, and the government for the immediate response to the COVID19 crisis. We are full of admiration and respect for your decisiveness, your attention to advice from scientific and health experts, and the coordinated action of many government and other agencies in a united effort to save lives and protect our health system from being overwhelmed.

We value the emergency measures to protect the most vulnerable – such as the elderly, immune-compromised, homeless and those facing redundancy or lost wages in the immediate impacts of the crisis. We urge that similar principles and concern for the common good and whole of society be shown in the long-term recovery, and that

we build and revitalise an economy that serves people and is resilient to future shocks of any sort – whether they be economic, environmental, health or otherwise.

We want to see promotion of the environmental gains that the COVID situation has highlighted, such as reduced carbon emissions, air pollution and waste; not just a return to business as usual, which will fail to address the increasingly challenging environmental changes we face. The link between pollution and the pandemic¹ is exposing the profound interdependence between humans and nature and showing the links between human and environmental health – a relationship intrinsic to indigenous knowledge.

Finance:

We fully endorse the \$12 billion crisis response package for wage subsidies, income support, finance guarantees for small to medium sized businesses, healthcare, and provisions for Māori communities and health providers.

The finance guarantee for businesses with annual revenue of up to \$80 million to apply for a loan of up to \$500,000 for 3 years – effectively means support for the banking sector to enable businesses to stay afloat. However, assisting banks also increases their profits, continues the cycle of debt and growth and keeps business as usual; it does nothing to transform our systems to a circular, or ‘green’ economy: to stimulate regenerative agriculture, solar panels or warm healthy homes for instance.

A Te Tiriti o Waitangi framework for policy with the **Climate Change Response (Zero Carbon) Amendment Act** needs to be foremost, with Just Transitions built into the recovery policies along with reducing carbon emissions to achieve a zero carbon economy by 2050.

We recognize that with bipartisan support for the Imprest Supply Bill the government could borrow up to \$50 billion to combat the economic impact of the pandemic on New Zealand. With this extraordinary scope for investment, we propose the following for policy development to support a ‘green’ circular economy.

Investment for achieving a net zero carbon economy requires an intersectoral and whole of government approach. We identify housing, tourist travel and tourism assets, food and health, ecosystem health and biodiversity, wellbeing: equity, employment and income sufficiency, transport, energy, funding and taxation, and education as areas for specific attention. These are not exhaustive proposals – rather they include both indicative and specific policy pathways towards human and ecosystem health and a zero carbon economy.

Proposals for climate change responsible policy

Housing:

Government-sponsored affordable housing for low income people. Social housing and low income housing needs could be met by repurposing vacant motels, hostels and hotels. Leasing or purchasing arrangements would redeploy some skilled staff and repurpose some of the assets of the tourism industry. These housing provisions should have the criteria of sustainability: access to public transport, energy efficiency, insulation, and communal facilities.

Prioritise Māori housing policy based on iwi-led priorities for meeting housing needs. Support and extend initiatives for community based and/or cultural initiatives for meeting housing needs – such as Matangi Kolo in Mangere.

Tourist travel and tourism assets:

Redirection of international tourism to tourism within NZ, and lower-carbon travel initiatives. The true environmental cost of flight is obscured by carbon offset systems that are not a true reflection of emissions or environmental impacts.

The only fool proof way of reducing emissions in this area is a system that promotes fewer trips, particularly in long-distance flights and ocean cruises, and which applies in an equitable manner (with fair exceptions and criteria for absolutely essential travel). One such equity tool to apply may be an allocation system, so that those who have had no overseas travel could have a fair share, and those who’ve had many opportunities already, give further trips away and instead make trips within Aotearoa. There would be an upper limit on international travel, allowing people to make their own choices as to when and how they use this allocation.

¹ <https://www.theguardian.com/environment/2020/apr/07/air-pollution-linked-to-far-higher-covid-19-death-rates-study-finds>

Food and health:

Government support for moving from animal-based agriculture to horticulture.

We propose a regenerative farming fund in the order of \$200 million to incentivise creative and sustainable agriculture, and food business to enable Aotearoa New Zealand to become self-sustaining. This includes:

- Incentivising more plant-based foods from local suppliers and discouraging imported luxury foods.
- Reducing pollution of land and waterways. This has positive outcomes for human health and for ecosystem health. Dairy, beef and lamb production could be de-intensified and realigned with sustainability criteria.
- Access to good quality nutritional food in low income communities.
- Subsidies to ensure that fresh, nutritional healthy food is affordable for low income families, whanau, fanau.
- Specific support for regenerative agricultural development on Māori land. Resourcing for iwi/hapū led health and wellbeing initiatives.
- Information resources in te reo Māori.
- Resources for communication on healthy food for Pacific language groups, and for migrant communities.
- Incentivising produce grown without sprays and harmful fertilisers.

Ecosystem health and biodiversity:

Recalibrate the economy to support ecosystem health and enhance biodiversity.

In addition to regenerative agriculture:

- Fully implement the Essential Freshwater programme², and extend this to include the Waitangi Tribunal recommendations for a Te Tiriti based Te Mana o te Wai Fresh Water Commission, and Iwi/hapū partnership in governance of freshwater.
- Invest in ecological infrastructure.
- Establish an ecosystem health fund (\$100m) to support planting 5-10 metre strips along waterways, indigenous habitats and native trees.

Wellbeing: equity, employment & sufficiency of income:

Opportunities to build equity into society include:

- Promote long term regional development plans and support for iwi to generate sustainable businesses which employ and train local people.
- Integrate information held by WINZ and employers to link beneficiaries who are available for work with employment opportunities, especially in 'green' economy sectors.
- Subsidise employment of long-term unemployed, with mentoring or other social or mental health support, as a means of breaking cycles of intergenerational poverty and unemployment.
- Be resolute in moving out of coal accompanied by the Just Transitions policy.³ Further development and implementation of Just Transitions policies – including for retraining, redeployment, income support, employer incentives to move to renewable energy industries.
- Invest more funds in training NZ nurses, teachers, midwives, civil defence, doctors, builders, plumbers, electricians.
- Prioritize policies to reduce inequality and eliminate poverty, including a Living Wage, and give serious consideration of a Universal Basic Income. We recognize the cost implications of UBI payment at a suggested level of \$21,000 annual payment per person – costs which are partially offset by administrative savings. We recommend reference to the Rashbrooke argument for doubling the core benefit to address poverty⁴, and the Whakamana Tangata report of the Welfare Expert Advisory Groups core recommendations of raising the abatement rate, removing stand-downs, and to drop the In-work tax credit and add this amount to the Family Tax credit. Ideally a just distribution of wealth could be achieved by setting minimum and maximum income levels, or a set ratio between employee and employer incomes.⁵
- Benefits do not have to be 'no strings attached'. Widen the range of things that people can do in exchange for the benefit, including reward for caring for children and elderly and enabling people to retrain easily.

² <https://www.mfe.govt.nz/sites/default/files/media/Fresh%20water/essential-freshwater.pdf>

³ Ganesh Nana, Fiona Stokes (August 2012) ' [A view to the South: Potential Low Carbon Growth Opportunities for the Southern Region Economy](#)' Coal Action Network (2012) ' [Jobs after Coal, undated 2015, A Just Transition for NZ](#)'

⁴ <https://www.stuff.co.nz/national/politics/opinion/120623512/why-now-is-not-the-right-time-for-a-universal-basic-income>

⁵ <http://www.weag.govt.nz/weag-report/>

- Plan for future pandemics and health shocks and where there are insufficient local suppliers – create new suppliers across NZ for greater resilience

Transport:

Incentivise electric vehicles and public transport and reduce expenditure on new motorways. An example of this is implementing the 'feebate' scheme and progressing public transport initiatives that use regenerative energy, and safe and intelligent cycleways. Spending should be directed away from larger and more numerous roads, as they promote fossil fuel transport and air pollution.

Energy:

Incentivise NZ's low-carbon energy options, and disincentivise carbon-intensive / fossil fuel projects to fit with our Zero Carbon goals. *Ora Taiao* provides evidence to support the phasing out of coal in schools and hospitals.⁶ The Tiwai Point aluminium smelter absorbs enormous amounts of electric energy which could be used to support electric transport. The smelter could be phased out while other industries in Southland are investigated and workers redeployed.

Funding and taxation:

A range of funding sources will have to be considered. Some possibilities are:

- Source government borrowings from NZ sources such as NZ Superannuation Fund and Reserve Bank purchase of govt bonds, rather than from overseas-owned banks or IMF which have less of a long-term commitment to the common good of Aotearoa NZ.
- Carbon/Environmental Tax, so that business and individuals get a balanced idea of the real cost of their practices on the environment and ecosystems. Since the 1990s, wealth has been redistributed in such a way that a small number of the population receive far more wealth and a large proportion is left impoverished.
- A Tobin (Financial Transactions) Tax of 0.1% on all transactions over \$1 million to help fund a UBI or similar system of income support.
- Where government bailouts or funding is provided to large businesses it should be only to NZ – based businesses that fit with a low carbon, diversified economy and funds should only be given either in exchange for shares/ownership in the business or as loans with an interest rate commensurate with the risk of the business and its contribution to NZ.
- Remove tax on incomes below \$14,000 pa.
- Review carbon offsetting schemes (such as for airline travel) by an environmental expert team, to ensure that these reflect the real cost to the environment. Contrary to popular belief, they are not an alternative to reducing emissions.
- Pursue research and policy on taxation of fossil-fuel based fertilizers and methane emissions.

Education:

Mindful of the major initiatives under way to bring online learning capacity into all homes we extend attention to provisions for climate change education with:

- Support for professional development for teachers on climate change teaching and learning.
- Re-orienting teacher education towards social, economic and environmental integration.
- Preparation of a curriculum that develops climate justice literacy from early childhood through to vocational and tertiary education.
- Developing a collaborative approach to education, including taking education beyond the classroom, bringing together formal and informal sectors for mutual benefit.

We are grateful for your leadership and bold government action in this pandemic crisis. We look forward to steps to achieving an economy for planetary and human health in the post COVID19 response. Our proposals are consistent with the UN Sustainable Development Goals and intended to align with or complement pathways set out by NGO's such as Greenpeace, the New Zealand Māori Council, Iwi Leaders, economists for zero carbon societies, the CTU, and by faith leaders and innovative thinkers.

⁶ https://www.orataiao.org.nz/phasing_out_coal_in_schools_and_hospitals_a_win_win_for_health_and_the_climate