

Submission to the Productivity Commission on Low Emissions Economy

From Deirdre Kent
7a Fleetwood Grove
Waikanae 5036

deirdre.kent@gmail.com

021 728 852

I am a retired professional with a long history of advocacy and political work. I am the author of two books on new economics – *Healthy Money Healthy Planet: Developing Sustainability through New Money Systems* 2005, and *The Big Shift: Rethinking Money, Tax, Welfare and Governance for the Next Economic* 2017. While I am currently the Secretary of Low Carbon Kapiti **these views are my views** and have not been run past the organisation.

Congratulations on yet another excellent report. My submission is brief and only addresses two of your questions.

The mindset I have is that the requirement of human beings to act on the climate is now so urgent that *a war footing mentality is needed*. Waiting or going slowly is not an option if we are to have a liveable planet for our children and grandchildren.

Q6. What are the main barriers to sequestering carbon in forest in New Zealand?

Our organisation is in the early stages of looking at politically feasible ways of afforestation of marginal land that has already been identified in the Kapiti Coast District Council area. As such we have been discussing possible actions with councillors and members. What we have noted so far is the fear that councillors display at any suggestion that the Council spend money and therefore *increase rates*. It is the big issue on their minds. No matter how keen they are on planting trees, they are conscious that if council spent money buying plants and paying labour it would result in rate rises. All the good will in the world won't work without cooperation and leadership at national level. And the option of buying up marginal land to control it simply isn't an option financially.

If our new government were not proactive and councils had to go it alone, the options I see are:

1. That a council could create its own climate currency and accept it in payment for rates. That is, they could pay their workers partly in a new currency, climate dollars, and the council could work to persuade businesses in their area to accept this new currency as payment. This option requires new thinking and an educational period. It was done quickly during the Great Depression in Europe in some towns with success, but is always opposed by the commercial banks who persuade governments to outlaw the practice.
2. Council opts for a volunteer only approach. The resultant planting is spasmodic and frustratingly slow.

3. Council gives private landowners an incentive to plant in the form of rates reduction. This idea is legislatively fraught, since central government makes the ultimate rules on imposing rates.

But if our new government were to make it easy for local government in some way the situation may improve. However the demand for economic growth will always trump any action or at least make it very difficult.

So to sum up the main barriers for council are the fact that they have so little power. Central government has already given them a range of new responsibilities without the accompanying funding and they are very financially constrained. Moreover, Council is already mindful of a tricky climate mitigation issue, compensation for property owners who find themselves on land that has been consented but is now unsuitable long term for habitation because of coastal erosion. Kapiti Coast tried to put this on the LIM reports but suffered when property owners took council to court and won. The issue of suitable compensation is another huge one for councils to face and they need central government's support in this.

In fact it may be that the government itself should issue a climate currency, build in a circulation incentive and set up mechanisms to keep the currency stable. Then there would be enough money in the system circulating fast enough to deal with climate issues.

The Green Party during the election suggested an interesting policy whereby farmers pay for nitrate pollution and the money be given to farmers who planted trees. I would like to see the figures on this.

I have another major observation. *That the current economic system needs to be completely replaced by a new model.* This is the theme of my second book. I argue that the economic system has been set up to require economic growth and that this is incompatible with rapid movement towards a low carbon economy.

New Zealand's situation illustrates it perfectly. We are very dependent on our farm exports while emissions from ruminant animals like cows and sheep make up half of our emissions. Politicians, aware that the economy needs to keep growing (it is built into the DNA of the current system of money creation and land ownership), have to choose between a vibrant economy and doing something meaningful about climate change. **So under the current economic paradigm there are no winners, neither National, nor Labour, nor NZ First nor Greens. Everyone loses.**

I am aware this suggestion in my submission will shock you and the idea certainly hasn't been run past our committee. However, from a personal point of view I point out I have spent much of the last 20 years researching complementary currencies and coming to terms with their strengths and weaknesses. I have also spent the last ten years working on a new economic paradigm and writing on the topic.

Q17 What are the main opportunities and barriers to reducing emissions in waste?

Kapiti Coast District Council's emissions between 2011 and 2015 rose 36% overall and per capita they rose 33%. These gases are largely methane. Nationally, a waste levy review found waste to landfill has risen 16.4% since the last review in 2014.¹

There are several reasons:

1. The Council is the only one in the Wellington district where the council is not in some way involved in collecting waste from the kerbside. It is all done by four private companies who fundamentally have no interest in reducing waste.
2. Companies use large bins, including 240 litre bins. So the original argument in favour of giving the work to companies was "user pays". This works when you buy a bag and put it out when it is full. But when a council gives you a big bin and collects it weekly the contract is that you fill it weekly. The principle is violated with bins. If the bin is not full, householders tend to put in organic waste in the form of green waste or food scraps, or even recycling. They can throw in a car battery, a tree stump, grass clippings or even invite their neighbours to fill up their bin.
3. Kapiti Coast District Council no longer has any power to influence the cost of waste disposal at transfer stations as they have given that control to the companies.
4. The national levy for waste is \$10 per tonne, which is much too low. It needs to rise to \$140 a tonne. Lynne Grieveson of Newsroom writes², *"The levy was introduced in 2009 as a result of a Green Party private member's bill. Landfill operators pay \$10 per tonne on rubbish disposed of at their facilities. It currently only applies to consented class 1 facilities that receive household waste, meaning most waste disposal facilities (89 percent of them) are exempt."*
5. Four companies with six trucks travel all over our district all week picking up waste and transporting it, contributing to emissions all the way. Since some landfills cost more than others to dump rubbish, companies think nothing of driving the extra distance.

Thank you for the opportunity to contribute

Deirdre Kent
3 Oct, 2017

¹ <https://www.newsroom.co.nz/2017/07/02/37011/landfill-levy-fails-to-make-a-dent-on-dumps> Landfill levy fails to make a dent on dumps. July 13, 2017

² <https://www.newsroom.co.nz/2017/07/02/37011/landfill-levy-fails-to-make-a-dent-on-dumps>. July 13, 2017