

The Chair  
**CABINET POLICY COMMITTEE**

**CLIMATE CHANGE II: PUBLIC AWARENESS AND EDUCATION, BUSINESS OPPORTUNITIES AND LOCAL GOVERNMENT PARTNERSHIP**

**PURPOSE**

1 This paper is the second in a series of four papers on policies for climate change. It seeks Cabinet agreement:

- to a long-term public awareness and education programme and to funding the first stages of this programme in 2002/03;
- to a broad framework for the development and promotion of climate change related business opportunities; and
- to a partnership with local government on climate change.

**EXECUTIVE SUMMARY**

2 Public awareness and education, business opportunities and local government programmes are important foundations of the climate change policy package.

*Public Awareness and Education*

3 The public awareness and education programme is designed to improve public and stakeholder understanding of and responsiveness to climate change issues. This is considered vital given the high reliance on voluntary, non-price measures in the proposed policy to 2007. Officials recommend that the programme launch with an 18 month, three part programme focused on:

- Substantive baseline research;
- Low key awareness raising including a preliminary public outreach programme; and
- High profile awareness activities including a national advertising campaign.

4 The cost of implementing the initial programme in the current financial year has been estimated... .. There will be additional costs in succeeding out-years for public advertising, research and evaluation, to be detailed in a report to the Convenor of the Ministerial Group on Climate Change in March 2003.

*Business opportunities*

5 Transitioning to a low-emission economy is as much about positioning our economy for longer-term economic growth as it is about meeting our Kyoto Protocol obligations. Many countries and international organisations are focusing on building low emission economic bases. This will increasingly impact on the competitive positioning of New Zealand firms and industries. The development and implementation of innovative technologies and practices is an essential response mechanism.

6 Officials have identified several broad areas where government may have a role in assisting innovation. These include government managing its own emissions, strategic information provision, development of a climate change service industry, and improving co-ordination between private and public sector initiatives at the firm and industry levels. Officials recommend further refinement of the role for government in these areas. In addition, officials recommend that the Government seed the establishment of a Pew South Pacific.

#### *Local government partnership*

7 The local government partnership is an adaptation of the international Cities for Climate Protection programme to New Zealand conditions. Officials recommend that the programme be managed and delivered by a secretariat housed in Local Government New Zealand. The secretariat would service councils participating in the calculation, management and reduction of community emissions, and act as a conduit for climate change information relevant to councils and communities.

8 Officials estimate that the partnership will require funding ... .. in the current financial year and ... ..for each of the following two years.

### **PUBLIC AWARENESS AND EDUCATION**

#### **Background**

9 In June 2001 Cabinet noted the financial implications of a public education programme for climate change and that it would be asked to agree to this proposed programme at a later date.

10 In October and December 2001 the Climate Change Project received funding for consultation on climate change policy in response to the Kyoto Protocol. This included a one year allocation of \$0.55 million for communications relating directly to consultation. That budget has been used in its entirety. It did not include expenditure on broader public awareness and education.

#### **Importance of Public Awareness and Education**

11 Public awareness and education is an important component of the climate change policy package because:

- It is a low-cost means of creating understanding and acceptance of climate change policies that can lead to emission reductions, and so reduce the Government's commitment period liability;

- Most of the policies in the package rely on heightened public understanding and acceptance of climate change issues, including business opportunities;
- A message strongly received during public consultation in May-June 2002 was the demand for greater public information and education;
- The United Nations Framework Convention on Climate Change requires it; and
- Research shows that currently there is a low level of understanding by most New Zealanders about climate change and related policies.

### **Public Awareness and Education Programme**

12 Internationally tested and accepted models on public awareness and education tell us that behaviour change is successfully achieved over time

13 Officials have developed a preliminary three-part programme to launch long term public awareness and education. The preliminary programme will take place between October 2002 and June 2004. This will involve research into current levels of understanding, and will then seek to move people to an improved awareness of climate change, in order to prepare them for action.

14 The objective of the Programme is to improve public understanding of climate change issues - its causes, link with greenhouse gas emissions, implications for current and future generations, what actions influence emissions, and the implications for global markets. It will run in conjunction with a media campaign targeting both general media and specific stakeholder media.

15 The components of the Programme are:

#### *Part One - Research and Planning (October 2002 - March 2003):*

16 Research would include a substantial quantitative and qualitative (focus group) programme to identify what motivates New Zealanders to change behaviours and what barriers exist to the successful uptake of awareness and understanding.

17 Planning would include the development of a detailed plan to guide implementation of activities in Parts two and three, based on research findings and focused on six key target audiences (general public, business, local government, Maori, farmers and foresters, and the formal education sector).

18 Other key activities include:

- a feasibility study on the establishment of a “one stop shop” service for the provision of information and advice on climate change across central government; and
- consultation with representatives of the youth and formal education sector for the development of new initiatives.

#### *Part Two – Low Key Awareness Raising (November 2002 - April 2003)*

19 The key objective is to maintain engagement with key stakeholders and build on current awareness and understanding while research and planning is undertaken. This stage also prepares the public for upcoming climate change policies that will affect them. Key activities include:

- Launch of a public outreach programme that would include seminars and meetings with key stakeholder groups in partnership with key representative stakeholder organisations;
- Launch and promotion of more informative and accessible government climate change websites.

### *Part Three – High Profile Awareness Activities (July 2003 onwards)*

20 The objective of Part Three is to extend beyond New Zealanders with existing knowledge of climate change to reach all New Zealanders. Key activities include:

- National advertising campaign informed by the outcomes of the baseline research conducted in 2002 with built-in monitoring and measurements for effectiveness;
- Extension (after evaluation) of the key audience outreach programme; and
- Targeted sponsorship of national climate-friendly promotional activities at the national and community levels.

21 The programme would be developed in co-operation with central and local government agencies (particularly those charged with delivering and promoting foundation policies) and with relevant NGOs to ensure best use of resources, the involvement of a wider constituency, and avoidance of duplication of effort and fragmentation of message.

22 Progress on the implementation and success of the programme would be reported regularly to the Convenor of the Ministerial Group on Climate Change.

## **BUSINESS OPPORTUNITIES**

### **Background**

23 In October 2001 Cabinet considered the paper “Climate Change: Economic Development Opportunities” (CAB (01) 574 refers). This paper provided an initial analysis of the potential opportunities related to climate change and discussion of the role of Government in assisting business to take them up.

24 Cabinet invited the Convenor, Ministerial Group on Climate Change, to explore options for further research into opportunities associated with climate change in consultation with the New Zealand Business Council for Sustainable Development (NZBCSD). Cabinet also directed officials to facilitate further meetings of interested parties to identify opportunities for enhanced networking and collaboration, to identify

any synergies with sector strategies and to address other issues such as effective communication of business opportunities.

## **Opportunities**

25 Research and consultation undertaken by the Ministry of Economic Development and the NZBCSD indicates that there are significant climate change related opportunities for some New Zealand firms and industries (those whose products have low associated emissions, who can reduce both emissions and costs, and whose products/technologies/services can reduce emissions and/or costs for other firms). The development and implementation of innovative technologies and practices is key.

26 As global markets continue to change and consumers become increasingly aware of climate change issues, the profitability of developing and implementing climate change related technologies will increase. The resulting innovation will occur in the context of an integrated process involving (i) the creators of new technologies, products and processes and (ii) businesses, financiers and specialist expertise that commercialise the ideas.

## **Advancing the Uptake of Opportunities**

27 An effective approach to advancing climate change innovation is likely to require:

- public and stakeholder awareness of climate change issues and changing global markets;
- availability of industry and firm level strategic information; and
- co-ordination and partnership between private and public sectors at both the individual firm level and at the industry/sector level.

28 There are several impediments to successful uptake of innovation technologies and practices: mainstream business has yet to realise the implications for global markets; insufficient access to and co-ordination of climate change information sources; lack of integration between private and public sector programmes and initiatives. As a result there is a risk that firms and industries may respond too slowly to the market changes, and to incentives to make efficient climate change related investments.

29 New and existing climate change policies, as well as other government policies (such as the Growth and Innovation Framework and NEECS) can help facilitate the development and uptake of climate change related opportunities. However, additional programmes would be required to address remaining issues. These include:

### *Government leadership*

30 Government, like business, will need to address its emissions (additional to its commitment to a 15 per cent energy reduction over 5 years). Because government is a large consumer, a programme aimed at reducing emissions would have a

significant effect on the provision of products and services, provide leadership and drive the development of climate change service industries (discussed below).

#### *Climate change service industry*

31 The climate change service industry provides services to develop corporate emission inventory, brokering services to participate in greenhouse gas markets, project development assistance and strategic advice on climate change issues.

32 The government has two potential roles in this area: (i) assist the development of the service industry, and (ii) while the service industry develops, assist in the provision of some information, analysis and expertise.

#### *Sector driven development*

33 The Government can identify and assist sectors where improved co-ordination of private and public sector initiatives would assist the uptake of opportunities. An example is the on-going consultation with the forestry sector to develop a framework for application of climate change policy to the forestry industry and identify a number of complementary but specific policy measures targeted at the wood processing industry.

#### *Firm level development*

34 The Government can identify gaps in private and public sector support for firms in the uptake of business opportunities (particularly smaller firms that are in industry sectors that are not well networked or where it is not possible to take a sector approach).

#### **Pew South Pacific**

35 In addition, the government can assist the uptake of opportunities through seeding the establishment of a “Pew Centre on Global Climate Change” based in New Zealand and servicing the wider South Pacific Region.

36 Like its parent in the US, the proposed Pew South Pacific Centre would be a non-profit, non-partisan and independent organisation funded not by government or business, but by charitable trusts. Its objective, also in keeping with that of its US parent, would be to educate the public and key policy makers about climate change, and to encourage the domestic and international community to reduce emissions. A key component is the Business Leadership Council – a group of leading companies who serve in an advisory role, offering suggestions and input regarding the Centre’s activities.

37 While the government should not be involved in the running or ongoing funding of the organisation, following discussions with both Pew representatives and New Zealand stakeholders officials recommend that the Government make available a seeding grant to assist with the costs of investigating and researching the establishment of a Pew Centre in New Zealand. The proposed grant is ... ..  
... an amount that would be matched in New Zealand by the Tindall Foundation charitable trust.

## **Advancing the Uptake of Opportunities by Maori**

38 Business opportunities for Maori are most likely to be those relating to forestry and branding differentiation. Officials have also been investigating possible policies to encourage and enhance planted forest sinks - including options to establish additional forests on 'Kyoto compliant' Maori land, through a joint venture investment approach. Such investment could have considerable benefits (capacity building, creation of a sustainable economic base for Maori, regional development). See "Climate Change III: Work Programme, Budget and Institution for Climate Change Project" recommends officials report back to Cabinet in mid February 2003.

## **LOCAL GOVERNMENT PARTNERSHIP**

### **Background**

39 In April 2002 Cabinet directed officials to work with Local Government New Zealand (LGNZ), the Energy Efficiency and Conservation Authority (EECA), the International Council for Local Environmental Initiatives (ICLEI), and other potential service providers to develop a Cities for Climate Protection (CCP) programme adapted to New Zealand conditions (CAB (02) 187 refers). This section reports on the ongoing development of this partnership programme, and some of the conclusions of this work.

40 During consultation, many councils expressed support for the partnership as long as adequate funding and resources were available. There was also broad acceptance of the CCP model as long as it was tailored to the New Zealand context.

### **Partnership**

41 Officials have investigated a range of management and delivery options and recommend that the partnership be managed and delivered by a secretariat housed within LGNZ. Overseeing programme delivery would be a group of officials from EECA, the Climate Change Project office and LGNZ. A third tier comprising senior local government representatives would provide high level recognition and motivation as needed.

42 The secretariat will have two core responsibilities:

- provide technical and political assistance to councils that wish to participate in the formal CCP milestone framework for calculating, managing and reducing community emissions (up to 20 councils may engage in the short term); and
- act as a conduit for climate change information relevant to all 86 councils, and assist in the implementation of key climate change foundation policies such as energy efficiency, education and adaptation.

43 The partnership would:

- foster information sharing between councils, and between local and central government;
- encourage councils' commitment to reducing greenhouse gas emissions;

- facilitate the delivery of key climate change related strategies such as the NEECS, the National Waste Strategy and the New Zealand Transport Strategy.

44 Officials recommend an immediate start to the Partnership and establishment of the secretariat. They are continuing work on developing the structure of the partnership and completing formal agreements on delivery and responsibility between key groups, including EECA, ICLEI and LGNZ. Funding for the employment of staff and the development of secretariat functions is sought through “Climate Change III: Work Programme, Budget and Institution for Climate Change Project”.

45 Accountability for the partnership will be based on a contract between the Climate Change Project and LGNZ; ultimate accountability will lie with the Climate Change Project. Note that the amount of money being sought for the partnership is higher than the amount indicated in the April cabinet paper (CAB (02) 187) because of the requirements of adapting the CCP model to New Zealand’s circumstances and the management process selected for the partnership.

## **CONSULTATION**

46 The following departments have been consulted in the preparation of this paper: Ministry of Agriculture and Forestry, Consumer Affairs, Defence, Economic Development, Education, Environment, Fisheries, Foreign Affairs and Trade, Health, Justice, Social Development, Research, Science and Technology, Transport, Te Puni Kokiri, The Treasury, the Department of Internal Affairs, the Department of Conservation, the Department of Statistics. The Energy Efficiency and Conservation Authority (EECA), Industry New Zealand, Trade New Zealand and Local Government New Zealand have also been consulted in the development of this paper.

## **FISCAL IMPLICATIONS**

### *Public Awareness and Education*

47 The public awareness and education programme will require funding ... .. in the current financial year. The costs associated with subsequent years have not been identified in this paper. They will be reported to the Convenor of the Ministerial Group on Climate Change in March 2003, when officials report on the outcome of the initial baseline research and other issues. See the Cabinet paper “Climate Change III: Work Programme, Budget and Institution for Climate Change Project” for further detail.

### *Business Opportunities*

48 The business opportunities work will initially require funding ... .. in the current financial year. Officials will report back on additional fiscal implications after further investigation on the role of Government in climate change related industry development. See the Cabinet paper “Climate Change III: Work Programme, Budget and Institution for Climate Change Project” for further detail.

### *Local Government*

49 The local government partnership will require funding ... .. in the current financial year and ... .. for in each of the following two years. This is outlined in greater detail in the Cabinet paper "Climate Change III: Work Programme, Budget and Institution for Climate Change Project".

## LEGISLATIVE IMPLICATIONS

50 None

## RECOMMENDATIONS

It is recommended that the Committee:

1. **Note** public awareness and education, business opportunities and local government partnership programmes are foundation policies in the preferred policy package;

### *Public Awareness and Education*

2. **Agree** public awareness and education for long-term behaviour change are an important foundation of the climate change policy package;
3. **Note** the fiscal implications ... .. sought in the "Climate Change III: Work Programme, Budget and Institution for Climate Change Project" paper to undertake for research and outreach activities in stages one and two of the public awareness and education programme;
4. **Direct** officials to undertake the research and outreach activities identified in stages one and two of the public awareness and education programme, and to report progress to the Convenor of the Ministerial Group on Climate Change by March 2003;

### *Business Opportunities*

5. **Direct** officials to investigate:
  - How government agencies can ensure that their operations and purchasing decisions take account of the need to meet New Zealand's Kyoto Protocol obligations and demonstrate leadership in markets for related goods and services;
  - The most effective methods of encouraging the development of a climate change service industry, and whether there is a role for particular government agencies such as EECA, FORST, INZ and TNZ in supporting this development;
  - Whether there is a role for government agencies such as EECA, FORST, INZ and TNZ in the provision of information, analysis and expertise in partnership with the private sector until the climate change support industry develops;
  - Whether and how to improve co-ordination of private and public sector initiatives (including INZ, FORST, EECA and TNZ programmes) at both

industry and firm levels including a review of the range of programmes currently available;

6. **Note** initial funding ... .. is sought for the current financial year. This includes the contribution to the establishment of the proposed Pew South Pacific Centre. Officials will report back on additional fiscal implications after further investigation on the role of Government in climate change related industry development. See the Cabinet paper “Climate Change III: Work Programme, Budget and Institution for Climate Change Project” for further detail.

*Local Government Partnership*

7. **Agree** that a local government partnership should be established and should be managed and delivered by a secretariat housed in Local Government New Zealand;
8. **Note** that accountability for the partnership will be based on a contract between the Climate Change Project office and Local Government New Zealand, and will ultimately lie with the Climate Change Project office;
9. **Note** funding... .. is sought for the current financial year and ... ..  
... .. is indicated as likely ... ..in each of the following two years in the Cabinet paper “Climate Change III: Work Programme, Budget and Institution for Climate Change Project”.

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