



Press Release
The Sustainable Energy Forum Inc
PO Box 11 152
Wellington
21 September 2007

A Change in New Zealand's Energy Consumption Culture is needed

"Achieving reduced greenhouse gas emissions through a carbon emissions trading scheme will not on its own be sufficient to meet the Government's emissions reduction objectives. It will also need to be accompanied by a strong and sustained promotion of energy efficiency and conservation principles" said John Blakeley today, speaking on behalf of the Sustainable Energy Forum.

In releasing the Government's carbon trading emissions scheme yesterday, the Energy Minister, David Parker, suggested a near halving of the expected deficit from New Zealand's Kyoto Protocol obligations from 45 million tonnes of carbon dioxide equivalent to 25 million tonnes or less during the five year commitment period expiring at the end of 2012.

"But the impact of the emissions trading scheme on energy prices to the consumer will be relatively modest - around 4-6 cents per litre increase on petrol and 5-10 percent increase on electricity prices, depending on the actual emissions charge, yet to be established by the market" Mr Blakeley said.

"This in itself will not be enough to change energy consumption behaviour. Also increased transport fuel charges will not be implemented until the beginning of 2009 and increased electricity charges until the beginning of 2010, whereas the Kyoto Protocol commitment period commences at the beginning of 2008."

"For example, if the price of petrol was to rise by 5 cents per litre in 2009 as a result of the emissions trading scheme, this is very much less than what the price has already risen in the last year as a result of oil price rises and exchange rate fluctuations", Mr Blakeley said. "And these larger price rises have had little discernible impact on the amount of fuel being consumed in New Zealand".

"This proposed fuel price rise as a result of the carbon emissions trading scheme will not make any difference to New Zealand's fuel consumption unless a very significant number of light motor vehicle users either

- Dispose of their present vehicle altogether and do not replace it, or
- Replace their present vehicle with a much more fuel efficient and smaller vehicle, or
- Decide to use public transport a lot more instead of their vehicle, or start car pooling or cycling, or
- Decide that many of their journeys are not really necessary and stop making them, or walk instead"

"On its own, a fuel price rise of 5 cents per litre commencing in 2009 is not likely to make much of an impact in any of these ways prior to the expiry of the five year Kyoto commitment period at the end of 2012" Mr Blakeley said.

"There would need to be a culture shift as well to help change economic and social behaviour in regard to the use of energy".

Otherwise the carbon emissions trading scheme is likely to become just a 'smoke and mirrors' exercise to make it look as though New Zealand is reducing greenhouse gas emissions without achieving anything like the Energy Minister's assumption as to what might be achieved by the end of 2012.

In regard to a possible energy culture shift, Mr Blakeley said that the Sustainable Energy Forum will be awaiting with keen interest the release of the final version of the Government's new Energy Efficiency and Conservation Strategy, due later this year.

For further information contact

John Blakeley
The Sustainable Energy Forum (Inc)
Phone: (09) 585 1192
Email: blakeley.j@xtra.co.nz