

What should the NZ gas industry look like in 2030?"

GasNZ Industry Forum

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I don't know the future

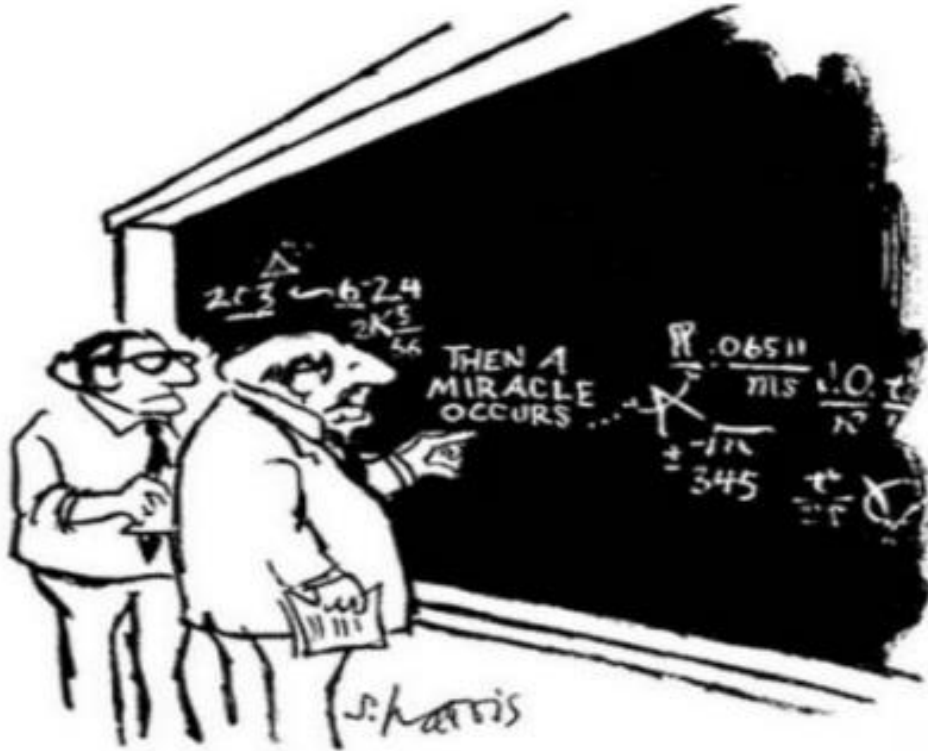
“Prediction is very difficult, especially if it's about the future”

Niels Bohr



Martin Cooper photographed in 2007 with his 1973 handheld mobile phone prototype

Otherwise we get this...



"I think you should be more explicit here in step two."

Energy and the economy

- a better question is what *might* the gas industry look like in 10-20 years

BUT

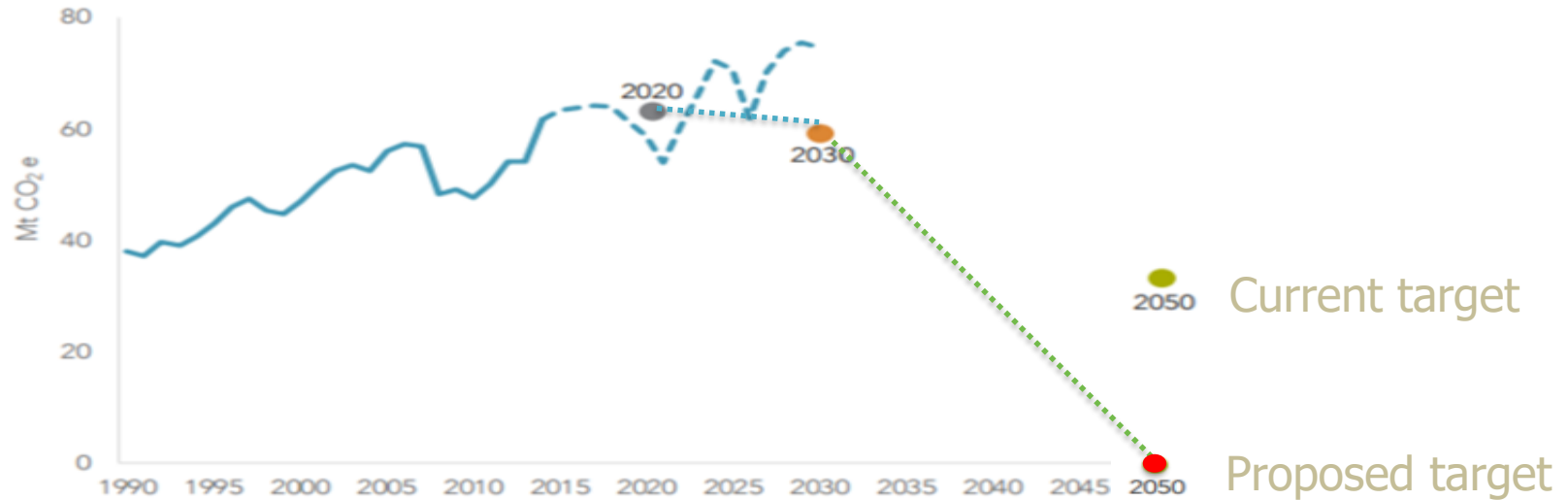
- an even better question is what we want New Zealand to be known for in 10-20 years time **and building a coherent competitiveness strategy around that, which drives energy decisions**
- our energy future will differ depending on the extent to which we actively choose to pursue certain societal, economic and environmental outcomes or defend the status quo

Uncertainties are non-trivial

- we're not talking about variables which have a prospect of only a minor variation
- played out over decades, each of the uncertainties could produce a substantially different outcome
 - the presence of strong or weak climate change action globally
 - the compounding effects of growth in our major trading partners
 - the transformational potential of alternative transport on our energy system

Ambitious targets

New Zealand's net emission from 1990 to 2013, current emission targets for 2020, 2030 & 2050, as well as new proposed target (red dot)



Source: Ministry for Environment (2015)

Economic costs to New Zealand

- NZIER estimate of adopting a net-zero (by 2050) target:

10 to 22 per cent of GDP

What business wants

- business is the key solution provider
 - it will be the business community that delivers on targets
- business wants
 - a deeper more mature conversation with Government
 - a more predictable environment that supports business to accelerate change
 - a clear goal, setting out NZ's ambition on climate change

Business doesn't want certainty

- I hate this word
- business wants policy/framework
predictability and stability

Who said a picture paints a thousand words...



A just transition?

- the hallmarks of a just transition
 - can and should be long term, constructive and non-political
 - would see government, employers and workers working cooperatively together to create the kind of sustainable future we all want
 - go well beyond political cycles

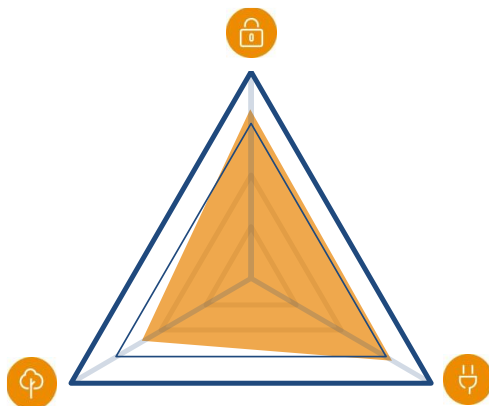
Trilemma Index 2018

RANK

8

SCORE

AAB



	2016	2017	2018	Trend	Score
Overall rank and balance score	9	9	8	▶	AAB
Energy performance					
Energy security	13	15	13	▶	A
Energy equity	20	19	30	▶	A
Environmental sustainability	36	42	50	▶	B
Contextual performance	8	3	3	▶	

Thank you

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