



NZ Climate & Health Council

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**MEDIA RELEASE**

## **Health professionals condemn government bailout of Solid Energy**

Health professionals are highly critical of the recent move by the New Zealand government to bail out Solid Energy. The bailout involves a direct cash injection of \$25 million of taxpayer money and another \$130 million in loans.

"It is counterproductive for health and social goals, as well as representing extremely poor economic management", claims Dr Rhys Jones from OraTaiao: The New Zealand Climate and Health Council.

"Climate change is the number one threat to public health in the 21<sup>st</sup> century", says Dr Jones. "In order to avoid the worst effects, we need to dramatically reduce global greenhouse gas emissions. This requires us to leave the overwhelming majority of known fossil fuel reserves, including coal, in the ground."

Dr Jones continues: "What this means is that the writing is on the wall for coal, and that the future lies in renewable energy – any other scenario spells disaster for humanity. Countries that become leaders in clean energy technology will prosper, while those that cling to outdated fossil fuel-based economies will fail. The current New Zealand government insists on taking us down the latter path, which is economically irresponsible, if not suicidal."

"The bailout is the exact opposite of what the government should be doing to achieve health, social and environmental goals", argues Dr Jones. "Burning fossil fuels, particularly coal, results in serious risks to human health. On the other hand, actions to reduce emissions and promote low carbon lifestyles can have enormous gains for health and wellbeing."

The bailout decision comes just days after the release of the Intergovernmental Panel on Climate Change's latest scientific consensus report. The report highlighted, with even greater certainty than before, the threat of climate change, and reiterated the urgent need for substantial reductions in greenhouse gas emissions.

"Despite the clarity and magnitude of the threat of climate change, the New Zealand government has failed to take appropriate action" says Dr Jones. "This bailout represents yet another attempt to bury our heads in the sand and continue with a doomed business-as-usual model."

Dr Jones believes that rather than subsidising fossil fuel exploitation, the government should be investing in forward-looking economic development. "Global investment in new renewable energy is already overtaking investment in fossil fuels and nuclear combined. The technology is here now, we can do this easily – we just have to make the right choices. Reliance on coal mining is not what towns like those on the West Coast need. What is needed is investment in a resilient economic future."

**ENDS**

## OraTaiao: The NZ Climate & Health Council

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### Background notes

Dr Rhys Jones (Ngāti Kahungunu) is a public health physician at the University of Auckland. He co-convenes OraTaiao: The NZ Climate and Health Council.

#### About urgency, coal and renewables

Professor Thomas Stocker, co-chair of Working Group I of the Intergovernmental Panel on Climate Change (IPCC), warned on 27 September that continued emissions of greenhouse gases will cause further warming and changes in all components of the climate system. "Limiting climate change will require substantial and sustained reductions of greenhouse gas emissions."

source: Scientific Body Reports 'Human Influence on Climate Clear'. Bloomberg, 28 September 2013.

<http://www.bloomberg.com/news/2013-09-27/scientific-body-reports-human-influence-on-climate-clear-.html>

A recent report by Goldman Sachs, entitled 'The window for thermal coal investment is closing', states that thermal coal's current position atop the fuel mix for global power generation will be gradually eroded by the following structural trends:

- 1) environmental regulations that discourage coal-fired generation;
- 2) strong competition from gas and renewable energy; and
- 3) improvements in energy efficiency.

The report concludes that 'even when carbon prices are low or non-existent, the downside risks of future regulation can offset the cost advantage of thermal coal relative to alternative energy sources'.

source: Goldman Sachs Commodities Research. The window for thermal coal investment is closing. Rocks & Ores. July 24, 2013; <http://www.carbontracker.org/news/goldman-sachs-say-thermal-coal-is-a-bad-investment>

By contrast, new global renewable energy investment now exceeds fossil fuels and nuclear combined, and has done so since 2011.

source: Renewables Global Futures Report 2013. Renewable Energy Policy Network for the 21st Century (REN21), Institute for Sustainable Energy Policies (ISEP), 2013. [www.ren21.net/REN21Activities/GlobalFuturesReport.aspx](http://www.ren21.net/REN21Activities/GlobalFuturesReport.aspx)

A new study suggests that reducing greenhouse gas emissions also will decrease outdoor air pollution and may save the lives of more than two million people annually in the future. Further, when examined in

monetary terms, these benefits to human health are calculated to outweigh the implementation costs of reducing the greenhouse gas emissions through at least 2050.

source:

[http://www2.sph.unc.edu/schoolwide\\_news/reducing\\_greenhouse\\_gases\\_benefits\\_air\\_quality\\_saves\\_lives\\_27838\\_8289.html](http://www2.sph.unc.edu/schoolwide_news/reducing_greenhouse_gases_benefits_air_quality_saves_lives_27838_8289.html); West JJ, Smith SJ, Silva RA, Naik V, Yuqiang Zhang, et al. Co-benefits of mitigating global greenhouse gas emissions for future air quality and human health. *Nature Climate Change* 2013;3:885–889.  
<http://www.nature.com/nclimate/journal/v3/n10/full/nclimate2009.htm>

### **About climate and health**

Climate change is widely recognised by world health authorities and leading medical journals to be the biggest global health threat of the 21st century and this is well-accepted by NZ medical professional bodies. Major threats to global health from climate change will occur through water and food insecurity, threats to shelter and human settlements, population displacement and migration, extreme climatic events, changing patterns of disease, risks to security (e.g. war), and loss of economic potential.

Conversely, addressing climate change is an opportunity to improve population health and reduce inequities. In NZ, well designed policies to reduce greenhouse gas emissions can bring about substantial health co-benefits including reductions in heart disease, cancer, obesity, Type 2 diabetes, respiratory disease, and motor vehicle injuries, and improvements in mental health. These substantial health gains are possible through strategies such as transport infrastructure redesign to encourage active travel, healthy eating (including reduced red meat and animal fat consumption), and improving home insulation.

### **Ora Taiao: The New Zealand Climate and Health Council's Key Messages**

Climate change is a real and urgent threat to the health and wellbeing of New Zealanders.

- New Zealand must be an active partner in global cooperation to reduce atmospheric greenhouse gas emissions to 350ppm CO<sub>2</sub>-equivalents by:
  - rapidly halving our own emissions by 2020;
  - paying our fair share of international investment in a global future.
- New Zealand can, and must, respond to climate change in ways that improve population health, accord with Te Tiriti o Waitangi, create a more equitable, just and resilient society, and promote a healthier economy within ecological resource limits.

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