

Report No.	20-31
Information Only - No Decision Required	

QUARTERLY UPDATE: CLIMATE CHANGE POLICY PROGRAMME

1. PURPOSE

- 1.1. The purpose of this paper is to provide Council with an overview of activities being undertaken on Climate Change across Government. This quarter the focus is largely on the implications for Council of the promulgation of the **Climate Change Response (Zero Carbon) Amendment Act 2019 (the Zero Carbon Act)**.

2. EXECUTIVE SUMMARY

- 2.1. The Government has an ambitious programme of work to address climate change. Some of this work is delivered through legislation, such as the Zero Carbon Act, along with the establishment of initiatives and targeted funds to deliver environmental improvements, build community resilience and ensure a just transition that provides for social and economic wellbeing.
- 2.2. While the Act only directly requires Councils to undertake an information collection and response role, considerable work remains in understanding how the Act will work in practice to deliver on the Zero Carbon aspirations that are now set out in legislation. It is not yet clear how local issues will be accommodated in national plans, nor what will be expected of local government. In the meantime, Horizons is continuing to develop our advice in response to climate change. This encompasses a draft strategy and an initial set of actions (including a regional vulnerability assessment).

3. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 20-31.
- b. notes that Horizons staff will continue to seek clarity from the Ministry for the Environment on the role of regional councils under the Climate Change Response (Zero Carbon) Amendment Act 2019.

4. FINANCIAL IMPACT

- 4.1. There is no financial impact arising from this item.

5. COMMUNITY ENGAGEMENT

- 5.1. Community engagement on the national policy discussed in this report is the responsibility of central Government. Council will have an opportunity to consider community engagement in the context of its own approach to climate change in the coming months.

6. SIGNIFICANT BUSINESS RISK IMPACT

- 6.1. There is no significant business risk associated with this item.

10 March 2020

7. BACKGROUND

- 7.1. Government has an ambitious programme of work to address climate change effects, and to make tangible progress in meeting the international commitments arising from the Paris agreement and the United Nations Framework Convention on Climate Change.
- 7.2. Two legislative amendments have been made to the Climate Change Response Act 2002; New Zealand's principal piece of climate change legislation. The first was the Zero Carbon Act, which provides a framework for climate change mitigation and adaptation, and came in to force in November 2019. The second amendment, the **Emissions Trading Scheme (ETS) Bill** is currently before the House. Horizons submitted on both amendments to Select Committee.
- 7.3. The Zero Carbon Act supports New Zealand's contribution to the global effort under the Paris Agreement to limit the global temperature to 1.5 degrees Celsius above pre-industrial levels. The Zero Carbon Act also lays out an approach for New Zealand to adapt to the impacts of climate change. The Act commits Government to:
- Assess the climate associated risk and opportunities by producing a **National Climate Change Risk Assessment (Risk Assessment)** every six years;
 - Produce a **National Adaptation Plan (NAP)** in response to each Risk Assessment; and
 - Set emissions reduction targets to reach net zero carbon emissions by 2050.
- 7.4. The Ministry for the Environment maintains a number of data sets relating to climate change, particularly **greenhouse gas emissions (GHGs)**. The Ministry recently released New Zealand's fourth biennial report under the United Nations Framework Convention on Climate Change, which reports on New Zealand's progress towards GHGs and the policies that support climate change efforts:
<https://www.mfe.govt.nz/sites/default/files/media/Climate%20Change/4th-biennial-report-2019.pdf>
- 7.5. In addition to these legislative changes, the Ministry for Business, Innovation and Employment (MBIE) houses the Just Transitions unit. This unit was set up in recognition that the need to mitigate and adapt to the impacts of climate change requires active planning. With planning, the Government aims to ensure that the transition to new technologies, new work (and opportunities) and globalisation is fair, equitable and inclusive. The current focus of this unit is on the Taranaki Region, as they look to reduce their economic dependence on offshore oil and gas exploration.
- 7.6. The Ministry for Primary Industries houses Te Uru Rakau, the Forestry branch which has embarked on the "Billion Trees" planting programme. This programme is a 10-year afforestation programme to replant 500,000 production trees due to be harvested, and grow the overall forestry estate by a further 500,000 trees. Currently, tree planting is New Zealand's most significant initiative to contribute to carbon sequestration, and generate carbon credits under the ETS.

8. IMPLICATIONS OF THE ZERO CARBON ACT

8.1. Adaptation Planning

- 8.1.1. The first National Climate Change Risk Assessment (Risk Assessment) is underway and due to be published in mid-2020. Due to timing, there are limited opportunities for meaningful input from local government and other relevant stakeholders. Horizons staff have attended workshops where possible: the Risk Assessment looks likely to generate a useful list of generic issues; we do not anticipate that it will include significant local risks.
- 8.1.2. In response to each Risk Assessment, the Minister must prepare a National Action Plan (NAP) setting out Government's objectives for adapting to the effects of climate change;

strategies, policies and proposals for meeting objectives; and, timeframes for implementing these. The first NAP is scheduled to be published by mid-2022.

8.1.3. Over the course of the past year, Horizons staff have been working with colleagues from district councils in the region to scope a proposal to conduct a regional vulnerability assessment. The intent of this project is to identify key, local issues within the region – an important step for us to develop a robust regional action plan. To the extent that any issues we identify within the region are nationally significant, the Minister could take these into account alongside the Risk Assessment in preparing the NAP.

8.2. Reporting Requirements

8.2.1. The Zero Carbon Act's only specific requirement of local government is to respond to requests for information. The Minister or the Climate Change Commission may request:

- a description of the organisation's governance in relation to the risks of, and opportunities arising from, climate change;
- a description of the actual and potential effects of the risks and opportunities on the organisation's business, strategy, and financial planning;
- a description of the processes that the organisation uses to identify, assess, and manage the risks;
- a description of the metrics and targets used to assess and manage the risks and opportunities, including, if relevant, timeframes and progress;
- any matters specified in regulations.

8.2.2. While the Act does not explicitly require councils to take any particular action in relation to climate change, these reporting requirements suggest an expectation that we be doing so on our own account. National direction to local government may well develop over time (for example, following preparation of the first NAP).

8.2.3. In anticipation of the requests for information, the climate strategy (and vulnerability assessment) will likely provide many of the answers. However, Horizons staff will also consider what information may be need to be collected that is complementary to data that we already hold. This may have cost implications for the Council over time.

8.3. Emissions Targets

8.3.1. Local government does not, at this point, have any specific role in achieving emissions targets or carbon neutrality under the Zero Carbon Act. Members will be aware that the Local Government Act 2002 is similarly silent: a proactive response to climate change (including emissions reductions) can be read into 'providing for the future wellbeing of communities' (s10) but is not explicitly required. While the **Resource Management Act 1991 (RMA)** requires us to 'have particular regard' to the effects of climate change (s7), it also precludes planning rules from having regard to the effects of greenhouse gas discharges on climate change (s70A).

8.3.2. As has been noted above, the Government's primary tool in achieving emissions reductions is the ETS. However, the Government also acknowledges that the ETS alone will not be sufficient to meet our climate change targets. Supporting policies will be necessary to achieve the scale of economic and behavioural change 'zero carbon' implies. These include measures to produce more renewable energy, decarbonise transport, improve agricultural productivity and sustainability, and encourage forestry. These 'complementary policy measures' will all require close engagement between central and local government.

9. **CONSULTATION**

9.1. No consultation was required in the preparation of this report.

10. TIMELINE / NEXT STEPS

- 10.1. Submissions to the Ministry for the Environment on the proposed ETS settings closed on 28 February, and we will monitor the outcomes from this consultation, as this policy work is complementary to the submission points the Council made on the ETS Bill. There is unlikely to be significant implementation work arising from these changes for the Council.
- 10.2. We are continuing to develop our advice on Horizons' response to climate change. This encompasses a draft strategy and an initial set of actions (including a regional vulnerability assessment) that Council may wish to consider in the context of its Annual Plan and the Long-Term Plan.
- 10.3. In parallel, staff will proactively engage with central government officials and other councils to develop consistent methodologies across regions and integrate local considerations into the national frameworks being developed.

11. SIGNIFICANCE

- 11.1. This is not a significant decision according to the Council's Policy on Significance and Engagement.

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ANNEXES

There are no attachments to this report.