

I hereby give notice that a meeting of the Strategy and Policy Committee will be held on:

Date: Tuesday, 9 March 2021
Time: 10.00am
Venue: Tararua Room
Horizons Regional Council
11-15 Victoria Avenue, Palmerston North

STRATEGY AND POLICY COMMITTEE

AGENDA

MEMBERSHIP

Chair	Cr RJ Keedwell
Deputy Chair	Cr JM Naylor
Councillors	Cr AL Benbow
	Cr EM Clarke
	Cr DB Cotton
	Cr SD Ferguson
	Cr EB Gordon
	Cr FJT Gordon
	Cr WM Kirton
	Cr NJ Patrick
	Cr WK Te Awe Awe
	Cr GJ Turkington

Michael McCartney
Chief Executive

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for further information regarding this agenda, please contact:
Julie Kennedy, 06 9522 800

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REGIONAL HOUSES	Palmerston North 11-15 Victoria Avenue	Whanganui 181 Guyton Street		
DEPOTS	Levin 120-122 Hokio Beach Rd	Taihape 243 Wairanu Rd		
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AGENDA

1 Welcome / Karakia

2 Apologies and Leave of Absence

At the close of the Agenda no apologies had been received.

3 **Public Forums:** Are designed to enable members of the public to bring matters, not on that meeting's agenda, to the attention of the local authority.

Deputations: Are designed to enable a person, group or organisation to speak to an item on the agenda of a particular meeting.

Requests for Public Forums / Deputations must be made to the meeting secretary by 12 noon on the working day before the meeting. The person applying for a Public Forum or a Deputation must provide a clear explanation for the request which is subsequently approved by the Chairperson.

Petitions: Can be presented to the local authority or any of its committees, so long as the subject matter falls within the terms of reference of the council or committee meeting being presented to.

Written notice to the Chief Executive is required at least 5 working days before the date of the meeting. Petitions must contain at least 20 signatures and consist of fewer than 150 words (not including signatories).

Further information is available by phoning 0508 800 800.

4 Supplementary Items

To consider, and if thought fit, to pass a resolution to permit the Committee/Council to consider any further items relating to items following below which do not appear on the Order Paper of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended), and the Chairperson must advise:

- (i) The reason why the item was not on the Order Paper, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

5 Members' Conflict of Interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

Minutes of the ninth meeting of the eleventh triennium of the Strategy and Policy Committee (Live Streamed) held at 10.00am on Tuesday 8 December 2020, in the Tararua Room, Horizons Regional Council, 11-15 Victoria Avenue, Palmerston North.

PRESENT Crs JM Naylor (Acting Chair), AL Benbow, EM Clarke, DB Cotton, SD Ferguson, EB Gordon, FJT Gordon, WM Kirton, NJ Patrick, WK Te Awe Awe (from 10.30am), and GJ Turkington

IN ATTENDANCE Chief Executive Mr MJ McCartney
Group Manager
Corporate and Governance Mr C Grant
Committee Secretary Mrs KA Tong

ALSO PRESENT At various times during the meeting:

Dr N Peet (Group Manager Strategy & Regulation), Dr J Roygard (Group Manager Natural Resources & Partnerships), Mr R Strong (Group Manager River Management), Mr G Shirley (Group Manager Regional Services & Information), Ms A Matthews (Manager, Science & Innovation), Mr T Bowen (Principal Advisor), Mr N Portegys (Policy Analyst), Mr M Mitchell (Environmental Scientist Water Quality), Mr F Campbell (Policy Assistant), and Ms C Morrison (Media & Communications Manager).

The Acting Chair welcomed everyone to the meeting and said a Karakia.

APOLOGIES

SP 20-43 *Moved* *Naylor/Ferguson*

That an apology be received from Chair Rachel Keedwell, and an apology for lateness be received from Cr Te Awe Awe.

CARRIED

PUBLIC FORUMS / DEPUTATIONS / PETITIONS

There were no requests for public speaking rights.

SUPPLEMENTARY ITEMS

There were no supplementary items to be considered.

MEMBERS' CONFLICTS OF INTEREST

There were no conflicts of interest declared.

CONFIRMATION OF MINUTES

SP 20-44 **Moved** **Turkington/Benbow**

That the Committee:

confirms the minutes of the Strategy and Policy Committee meeting held on 10 November 2020 as a correct record, and notes that the recommendations were adopted by the Council on 24 November 2020.

CARRIED

OUR FRESHWATER FUTURE - PROGRESS REPORT

Report No 20-176

Ms Matthews (Manager, Science & Innovation), presented this paper to Council which highlighted the progress with the Horizons 'Our Freshwater Future' programme, and the implementation of Government's 'Essential Freshwater' reform package. Ms Matthews discussed the sector-led projects, community consultation timeframes, and the key tasks to be undertaken between now and March 2021.

SP 20-45 **Moved** **B Gordon/F Gordon**

That the Committee recommends that Council:

a. receives the information contained in Report No. 20-176 and Annex.

CARRIED

Cr Te Awe Awe joined the meeting at 10.30am.

BRIEFINGS TO INCOMING GOVERNMENT MINISTERS

Report No 20-177

The Chief Executive presented this report to Council which highlighted the prepared Briefings to Incoming Government Ministers from both the Regional Sector, and the Manawatū-Whanganui Region's Mayors and Chairs.

SP 20-46 **Moved** **Naylor/F Gordon**

That the Committee recommends that Council:

a. receives the information contained in Report No. 20-177 and Annexes.

CARRIED

The meeting closed at 10.41am.

Confirmed

CHIEF EXECUTIVE

CHAIR

Report No.	21-14
Decision Required	

ORANGA WAI OUR FRESHWATER FUTURE - PROGRESS REPORT

1. PURPOSE

- 1.1. To update Council on progress in with Horizons' Oranga Wai Our Freshwater Future programme and implementation of Government's 'Essential Freshwater' reform package.

2. EXECUTIVE SUMMARY

- 2.1. On 3 August 2020 the Minister for the Environment and the Minister of Agriculture jointly released the full details around Government's 'Essential Freshwater' package: a suite of freshwater policy reforms aimed at more rapid improvements to freshwater quality in New Zealand. The package includes changes to the **Resource Management Act 1991 (RMA)**, a new **National Policy Statement on Freshwater Management (NPS-FM)**, **National Environmental Standards for Freshwater (NES-F)**, stock exclusion regulations, and regulations in relation to the measurement and reporting of water takes. Further regulations relating to freshwater farm plans are expected to be released by Government in the next 12+ months.
- 2.2. Government's freshwater reform Essential Freshwater package, while requiring a significant shift in Horizons' business, presents a range of opportunities – from fostering relationships and supporting capacity building, to fast-tracking freshwater improvement via Government's complementary 'Jobs for Nature', through to the delivery of a suite of new policy and planning provisions that provide for a range of community outcomes. This is a step-change in Horizons' activities but it is a step-change that has the potential to deliver positive outcomes for the environment and community wellbeing.
- 2.3. Further detail around the Essential Freshwater requirements and Oranga Wai Our Freshwater Future was provided to Council's Strategy and Policy Committee on 8 September 2020. This Council report provides an update on progress since December 2020.
- 2.4. Nationally, there is work underway to identify and implement sector-led projects to collectively deliver on the requirements of the Essential Freshwater package. These work programmes cover aspects of the package such as wetlands, fish passage, sediment, nutrient criteria, mahinga kai, freshwater farm plan regulations and data portal, and a range of council-led projects around consenting and plan drafting. Horizons is involved in a number of these projects, through council **Special Interest Groups (SIGs)** and the **Resource Managers Group (RMG)**.
- 2.5. Changes include new consenting and consent monitoring requirements introduced through the new NES-F and regulations. Staff have continued developing further information for land owners around implementation of these programmes, and working directly with the primary sector to assess the new requirements and implications for land owners in our region. Further information about this work programme can be found in section 9.9 of this report.
- 2.6. Oranga Wai Our Freshwater Future sets out Horizons' proposed approach to freshwater improvement in the Horizons Region. A key part of implementation is aligning the new requirements with Horizons' Regional Policy Statement (RPS) and Regional Plan (collectively referred to as the One Plan). Horizons intends to notify changes to the One Plan to implement the NPS-FM by September 2024. A range of work is underway

including finalising more detailed science and policy work programmes, embarking on discussion with iwi/hapū around freshwater including Te Mana o te Wai. We will be embarking on our first round of community engagement from late February 2021 where we will be shaping our overarching vision and values. Further information about this work programme can be found in section 9.3 of this report.

- 2.7. It is our intention that planning and community engagement processes to implement the NPS-FM will run at a regional scale, in light of time and resource constraints. While the form and depth of community engagement may vary across the region – particularly in light of Te Awa Tupua Whanganui and Te Waiū o te Ika Whangaehu – we need to remain cognisant of the capacity of the organisation, our partners, and the community to deliver this work programme successfully. Current and emerging risks associated with the implementation of this work programme are set out in section 6 of this report.
- 2.8. Freshwater improvement work undertaken through Horizons’ non-regulatory programmes is a key part of transitioning the region to meet the new national legislative requirements, including the recently funded Jobs for Nature. There are strong linkages between Horizons non-regulatory and regulatory programmes, as set out from section 9.12 of this report.
- 2.9. Public information about Horizons’ implementation programme is being made available via Horizons’ website. Sections 5 and 9.15 – 9.16 of this report provide an overview of community engagement and communications activities around Oranga Wai Our Freshwater Future.
- 2.10. Key activities carried out between December 2020 and March 2021 included:
- Furthering our initial discussions with iwi/hapū around key topics of interest, including freshwater.
 - Developing more detailed work plans for policy/planning and science.
 - Contracting an assessment of One Plan policy effectiveness.
 - Further drafting of catchment stocktake reports for each of Horizons’ **Freshwater Management Units (FMUs)** incorporating the most up-to-date water quality state analysis.
 - Developing a consenting approach for Intensive Winter Grazing.
 - Continued engagement with the National Freshwater Directors and sector **Special Interest Groups (SIGs)**.
 - An Oranga Wai Our Freshwater Future Road-show, which provided staff at regional House and service centres with a more in-depth look at the new requirements and proposed NPS-FM work programme.
 - Finalising our community engagement plan and beginning discussions with iwi/hapū and the community around ‘Vision and Values’
- 2.11. This progress report provides an update on these tasks and outlines the next steps from now to June 2021.

3. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 21-14 and Annex.

4. FINANCIAL IMPACT

- 4.1. Implementation of Government’s reform package is already underway. Resourcing to support the initial stages of implementation has been sought from existing budgets, largely through re-prioritisation of other activities. Initial funding of \$200,000 was also approved by Council in September 2020 for policy and administrative support for the first phase of iwi/hapū and community engagement as part of the NPS-FM values and limit setting process. Expenditure to date is tracking within budget.
- 4.2. Future funding of these activities has been proposed through Horizons’ Long-term Plan 2021-31 (LTP). Broadly, the cost of implementation is estimated to be over \$10M and up to \$15M over three-four years. This includes resourcing for science and policy, as well as iwi/hapū and community engagement.
- 4.3. A more detailed breakdown of implementation costs was requested by Council at the 8 December 2020 Strategy and Policy meeting. It is important to note that these costs are allocated across a range of business activity areas. An overview of costs captured within the proposed LTP 2021-22 budget is provided below:

	Annual Cost	Comments
Iwi/hapū resourcing	\$3,000,000	\$2.5 million available per annum to iwi/hapū to facilitate engagement and build capacity
Policy, iwi/hapū and administrative support	\$270,000	Includes 3 FTEs
Technical support	\$400,000	Operating expenses
Community engagement	\$310,000	Includes 1 FTE and operating expenses
Monitoring and reporting	\$645,000*	Including 4 FTEs and operating expenses
Total	\$4,625,000	

*Subject to resource management recovery under s36 RMA, general rate cost is approximately 70% of this total annual cost.

5. COMMUNITY ENGAGEMENT

- 5.1. Initial engagement with iwi/hapū is underway and a number of meetings have taken place, including a hui-ā-iwi held 12-13 November 2020. Further hui-ā-iwi are planned for 2021, in March and later in the year. We are mindful that implementation of Oranga Wai Our Freshwater Future doesn’t undermine these discussions, which are broader than just freshwater, and that there is a need for flexibility in our approach so that we can respond appropriately as these conversations progress. We are also conscious that there are specific provisions established under Te Awa Tupua and Te Waiū o te Ika that must be provided for.
- 5.2. Further discussions with iwi/hapū are through proposed regular freshwater hui, with the first meeting held at Te Poho o Tuariki in Marton on Thursday 25 February 2021. Key topics for discussion included Horizons’ proposed implementation programme, resourcing for iwi/hapū to enable participation, our approach to wider community engagement, and exploring enabling pathways and whether the currently proposed FMUs are an appropriate scale at which to undertake freshwater limit-setting and reporting. Staff found the initial hui to be a valuable opportunity to assist in guiding and shaping the work programme, and we welcome the opportunity to continue to build on this conversation in coming weeks.
- 5.3. Staff are also engaging with primary sector representatives and other stakeholders, with the more immediate requirements for land owners in relation to the NES-F and regulations being a key focus of these discussions. We are also working with our regional council counterparts and relevant agencies such as **Ministry for the Environment (MfE)**,

Ministry for Primary Industries (MPI) and industry groups to ensure consistent advice is provided, where possible.

- 5.4. Initial community engagement around freshwater vision and values as part of the implementation of the NPS-FM is now underway. A number of community events have been planned, following an initial soft launch at the recent Manawatū River Improvement Festival at Foxton Loop on Saturday 27 February 2021. Other events include Rural Games 12-14 March 2021 and Central Districts Field Days 18-20 March 2021. Staff will also be attending river scheme meetings, community and primary sector meetings in coming weeks. These events provide staff with opportunities to speak directly with members of our community about Horizons' implementation of Essential Freshwater and how they can be involved. Following the success of our recent use of 'Social Pinpoint' for our community engagement around climate change, this digital platform will also be revamped and made available to the community to capture information about our communities freshwater vision and values.
- 5.5. The community will also have the opportunity to share their thoughts on our proposed work programme through the LTP consultation process.

6. SIGNIFICANT BUSINESS RISK IMPACT

- 6.1. The reform package introduces new legislative requirements in relation to the management of freshwater, one of Council's organisational priorities. Horizons, along with other local authorities, is responsible for implementing the new NPS-FM, NES and regulations. These significant new requirements and tight legislative timeframes are a nation-wide challenge that create a draw on, what is currently, a limited pool of expertise and experience.
- 6.2. Relationships with central and local government, iwi/hapū, stakeholders, and the community are crucial to implementation. There is an opportunity to continue to grow and develop critical relationships, and increase community confidence if this process is successful. Tangata whenua participation is key, and there are clear expectations set out in the framework that provide for this.
- 6.3. Failure to adequately plan for and/or implement this package will introduce a range of risks to Council, from operational (e.g. inability to deliver on our obligations leading to legal and compliance risks) through to strategic (e.g. failure to achieve our organisational priorities) and political (e.g. loss of ministerial confidence and reputational risk). Resourcing, coordination, relationships, and availability of expertise are key risk areas in our ability to meet our obligations.
- 6.4. Ministers have signalled their intent for MfE and MPI staff to be directly involved in the implementation of the NPS-FM in Waiopēhu (Horowhenua), following the inclusion of special provisions for vegetable growing areas. While we welcome the support that Government might offer Horizons in the implementation of the NPS-FM and Jobs for Nature work programmes, there is a need to ensure that Council is supported and enabled to exercise their duties in a way that does not confuse or send conflicting messages to iwi/hapu and the wider community. Staff are currently engaging with MfE and MPI to ensure there is clarity around our roles and responsibilities and identify constructive ways in which Ministry staff can engage with Council and iwi/hapu.
- 6.5. We are also conscious that both Te Awa Tupua Whanganui and Te Waiū o te Ika Whangaehu may require bespoke arrangements and we will continue to work directly with iwi/hapu around the implementation programme with regard to these catchments.

7. CLIMATE IMPACT STATEMENT

- 7.1. This work has the potential to contribute directly to Horizons' climate change response, initially by raising awareness through community discussions around long-term vision and values for freshwater, and more directly as a result of objective and limit-setting and/or action planning, with further consideration of climate change required as part of the NPS-FM.
- 7.2. Climate change will inevitably form a part of these community discussions and will need to be accommodated within the science and modelling undertaken to inform these discussions. There are also specific requirements pertaining to climate change impacts set out in the NPS-FM. For example, when setting environmental flows and levels, every regional council must have regard to the foreseeable impacts of climate change.

8. BACKGROUND

- 8.1. On 3 August 2020 the Minister for the Environment and the Minister of Agriculture jointly released the full details around Government's 'Essential Freshwater' package: a suite of freshwater policy reforms aimed at more rapid improvements to freshwater quality in New Zealand. The package includes a new NPS-FM, NES-F, stock exclusion regulations, and regulations relating to the measurement and reporting of water takes. Detail around these reforms was provided to Council's Strategy and Policy Committee on 8 September 2020.
- 8.2. The reform package introduces new legislative requirements in relation to the management of freshwater, one of Council's organisational priorities. Some of these requirements need to be addressed immediately, while others are rolled out over 3-4 years. Horizons, along with other local authorities, is responsible for implementing the new NPS-FM, NES and regulations. We acknowledge that there are significant costs associated with successfully implementing these changes and that the timeframe for implementation is ambitious.
- 8.3. The NPS-FM directs regional councils, in consultation with their communities, to set objectives for the state of fresh water bodies in their regions and to set limits on resource use to meet these objectives. Councils must give effect to Te Mana o te Wai, and adopt an integrated approach that recognises the interconnectedness of the environment – ki uta ki tai, from mountains to sea. We must actively involve iwi and hapū (to the extent that they wish to be involved) in decision-making and the management of fresh water. This includes identifying Māori freshwater values, the inclusion of mātauranga Māori, and (along with the wider community) setting long-term visions for freshwater.
- 8.4. In its development, the One Plan was a significant step change in managing environmental issues and provides a strong foundation for future plan changes to give effect to the NPS-FM. Implementation of the NPS-FM however, will require retooling of our current policy settings in the One Plan. This includes consideration of the nature and scale of land use activities, the use of freshwater across the region, and the potential for activities to be complementary to natural systems.
- 8.5. The NES-F sets out new regulations around regulations for activities that pose risks to freshwater and freshwater ecosystems. In many cases, people will need a resource consent from Horizons before carrying out these activities. Work assessing the requirements of the new NES-F with Horizons' One Plan is progressing so that greater clarity can be provided to land owners, and resourcing requirements better understood.
- 8.6. Work to improve freshwater has been ongoing throughout the region for a number of years. This includes activities such as fencing, planting, and the development and implementation of farm plans undertaken through Horizons' Land and Freshwater programmes, including our Sustainable Land Use initiative. Through these programmes, work is often carried out in partnership with central and local government, iwi/hapū, land owners, stakeholders, community groups and environmental non-government organisations. To this end, there are established relationships that provide a strong foundation for further action. There are

also strong linkages between the outcomes of Horizons' implementation programmes with Essential Freshwater, reflected in the recent success of Horizons in securing new funding through Government's Jobs for Nature programme.

- 8.7. While good progress has been made through the One Plan implementation, regulatory and non-regulatory activities now require a further step-change so that we can respond to the new requirements within the compressed timeframe Government has set.

9. DISCUSSION

National Sector Response to Essential Freshwater

- 9.1. Central government is working together with the regional sector and Te Kāhui Wai Māori, along with the primary sector and environmental non-government organisations, to ensure that the implementation is rolled out as efficiently and effectively as possible. This is delivered through the Freshwater Implementation Group (FIG), comprising representatives of MfE and MPI along with the aforementioned agencies and organisations. The objective is that national roll out of freshwater implementation is nationally consistent and meets the requirements of the new national direction.
- 9.2. Work is now underway to identify and implement sector-led projects to collectively deliver on the requirements of the Essential Freshwater package. These work programmes cover aspects of the package such as wetlands, fish passage, sediment, nutrient criteria, mahinga kai, freshwater farm plan regulations and associated data portal, and a range of council-led projects around consenting and plan drafting. Horizons is involved in a number of these projects, through council SIGs and the RMGs.

National Policy Statement for Freshwater Management

- 9.3. Horizons has published a draft implementation programme and road map which sets out key work streams and tasks to be undertaken from now to notification of a new combined regional policy statement and regional plan in 2024.
- 9.4. More detailed work plans for each of the science and policy/planning work streams have been drafted and are in the process of being finalised. Assistance with developing these work plans is being provided by LWP Ltd (science) and Hill Young Cooper (policy/planning). Work undertaken through the Te Ao Māori work stream will be further refined as discussions with iwi and hapū progress. This will include exploring options and opportunities to weave mātauranga Māori and our existing science programme together to provide a more comprehensive understanding of the current state and changes in freshwater over time. All of these plans will be updated regularly as the programme progresses.
- 9.5. Our first round of community engagement is now underway. This involves seeking iwi/hapū and community input into the values and vision they hold for freshwater in the region. This will build on work undertaken during the development of the One Plan, but aligning with the new NPS-FM requirements. Methods of delivery include social pinpoint and other digital channels such as social media and web, district specific events such as scheme meetings, other events such as Central District Field Days and Rural Games, media, advertising, and leveraging of our partners/stakeholders' own networks.
- 9.6. To help inform these discussions, policy and science staff are preparing a full set of catchment stocktake reports, which are based around the proposed FMUs. These reports will inform community discussions around objective setting (scheduled for late 2021) are currently being updated with the latest state of environment monitoring data. A number of reports are in their final drafting stages and will be externally peer-reviewed prior to being finalised.

- 9.7. These reports are framed around the region's FMUs of which we have identified seven for the purposes of implementing the NPS-FM 2020. The FMUs proposed include:
- Whanganui
 - Kai Iwi
 - Whangaehu
 - Rangitikei-Turakina
 - Manawatū
 - Waiopahu (Horowhenua)
 - Puketoi Ki Tai (Coastal Tararua)
- 9.8. Discussion around the appropriateness of these FMUs will form a key part of our initial community consultation from February through to April 2021, and our freshwater kōrero with iwi/hapū. A map of these FMUs is provided as in **Annex A**.

National Standards for Freshwater and Section 360 Regulations

- 9.9. A key priority for implementation of the NES-F and s360 regulations has been the compilation of information and guidance/advice for land owners which is available on Horizons' website or in hard copy on request. Work assessing the requirements of the new NES-F with Horizons' One Plan is also underway so that greater clarity can be provided to land owners, and resourcing requirements better understood. This includes updating the One Plan with annotated references to the new freshwater NES to provide direction around when these standards should be considered by planners and consent applicants.
- 9.10. In late December 2020, advice was provided to Ministers Parker and O'Connor by the Southland Advisory Group (which includes farmers, primary sector groups, Fish and Game and Environment Southland) with the group providing a number of practical suggestions to better achieve the purpose of the IWG rules set out in the NES-F. While Horizons staff had been working with the primary sector, scientists and land owners to road test a proposed consenting process for intensive winter grazing (IWG) prior to Christmas, this work is now on hold pending further direction from MfE and MPI in regard to the IWG rules.
- 9.11. Government has indicated that **Freshwater Farm Plans (FW-FPs)** will be a key implementation tool for the NPS-FM. At the time the Essential Freshwater package was released, these farm plans had not been developed and it was signalled that this work would be carried out over 12+ months from September 2020. Horizons staff have been working with the wider regional sector around the development of these FW-FPs. We understand that a draft framework for these farm plans has been developed and this work programme is progressing to schedule.

Freshwater Improvement and Jobs for Nature

- 9.12. Horizons' non-regulatory work programmes continue, with improvements to freshwater delivered through our **Sustainable Land Use Initiative (SLUI)**, and land and freshwater implementation programmes. This includes the new Jobs for Nature projects which deliver additional riparian fencing and planting, enhancement of fish populations, and improvements to water quality in the Horowhenua catchment.
- 9.13. Recruitment of additional staff to support the new Jobs for Nature projects has been underway since 2020. Over the past three months we have welcomed three new freshwater advisors to support the regional stream fencing and planting programme, a new fish passage co-ordinator (Tessa Stevens) and four research assistants to support the fish passage project. Recruitment is now underway for a Freshwater Co-ordinator – Lake Horowhenua.

9.14. An overview of progress with regard to freshwater improvement activities has been reported in detail to Council's Environment Committee (10 March 2021). Highlights include:

- progressing assessments of barriers to fish migration in the Ōhau and Waikawa catchments and throughout the Manawatū FMU;
- fish and kakahi monitoring of seven fishing sites and four kakahi sites completed; remediation of one (of our target five) fish barriers.
- completion of a draft sedimentation and drainage plan for the Arawhata sub-catchment, and
- progressing the wetland feasibility study and conceptual design.

Construction of a boat ramp to enable the launch of the weed harvester onto Lake Horowhenua is progressing and expected to be completed in May 2021.

Oranga Wai Our Freshwater Future Communications update

9.15. A key aspect of implementing the programme is ensuring staff are well-informed and confident engaging with our community around the new requirements and our proposed approach. During February the Oranga Wai Our Freshwater Future team ran a roadshow for staff at Regional House and Horizons' service centres. Attendance was high, capturing staff from across much of the organisation. Information is also regularly provided to staff via our intranet, HUIA, and through All Staff, service centre, group and team meetings, as required.

9.16. Horizons' website has a dedicated space for information about Horizons implementation of the Essential Freshwater package, with direct access via the homepage. This is currently being updated on a regular basis as new information becomes available.

10. CONSULTATION

10.1. Staff have scoped a community engagement programme for early 2021 which will guide us as we work with iwi/hapū and the wider community to identify and articulate long-term visions and values for freshwater in the region. A key objective is that this engagement programme that is cost-effective, while maximising opportunities for feedback and input.

10.2. Initial consultation with the community around our long-term vision, values and objectives kicks off with the Manawatū River Festival on Saturday 27 February 2021. Further conversations with iwi/hapū, following our initial hui-ā-iwi in November 2020, are underway with the first freshwater hui underway from Thursday 25 February 2021.

10.3. A number of other public events such as Rural Games and Central Districts Field Days provide opportunities for discussion, as well as stakeholder engagement through forums such as the Manawatū River Leaders Accord, community, primary sector and river scheme meetings.

10.4. An opportunity for our communities to share their thoughts on our proposed work programme (beyond 2020-21) will also be possible through the LTP consultation process.

10.5. To prepare for these discussions, we are completing an assessment of One Plan alignment with NPS-FM values, visions, attributes and targets, including a review of the effectiveness of the existing One Plan provisions relating to Oranga Wai Our Freshwater Future (including land, water and Te Ao Maori). We will continue to advance the delivery of catchment stocktake reports for identified FMUs in the region.

- 10.6. Undertaking a programme such as Oranga Wai Our Freshwater Future successfully requires the ongoing support of both senior staff and Council. This will be particularly important when we need to gather people and resources to support the intensive periods of community engagement required to implement the NOF process.
- 10.7. With such a compressed timeframe, there will be times when we will need to make decisions swiftly, and maintaining agility will be key. It is our intention to maintain open communication around the programme as much as possible, and keep Horizons staff and Council up-to-date with regular progress reports, such as this one. We encourage both staff and our community to contact us on freephone 0508 800 800 or at info@ourfreshwaterfuture.nz.

11. TIMELINE / NEXT STEPS

11.1. Key tasks between now and June 2021 include:

- Facilitating and participating in regular hui with iwi/hapū to progress discussions and decision-making around Oranga Wai Our Freshwater Future, including how we might give effect to Te Mana o te Wai within the region.
- Undertaking iwi/hapū and community engagement around our values and long-term vision, our proposed FMUs, and initiate discussions around our collective goals/objectives for freshwater.
- Establishing the science programme for 2021-24, including re-prioritisation of current monitoring and research programmes, as appropriate.
- Council and staff will be meeting with Professor Skelton, the newly appointed Chief Freshwater Commissioner to discuss the new Freshwater Planning Process and what it means for councils in mid-March 2021.
- Horizons will be hosting a workshop with lower North Island council NPS-FM implementation teams to explore opportunities to work together, and identify key areas where MfE could provide additional support, also in mid-March.
- Undertaking a review of the current One Plan provisions to assess the current alignment between the One Plan and NPS-FM and identify areas of attention.
- Completing catchment stocktakes covering the region's proposed FMUs.

12. SIGNIFICANCE

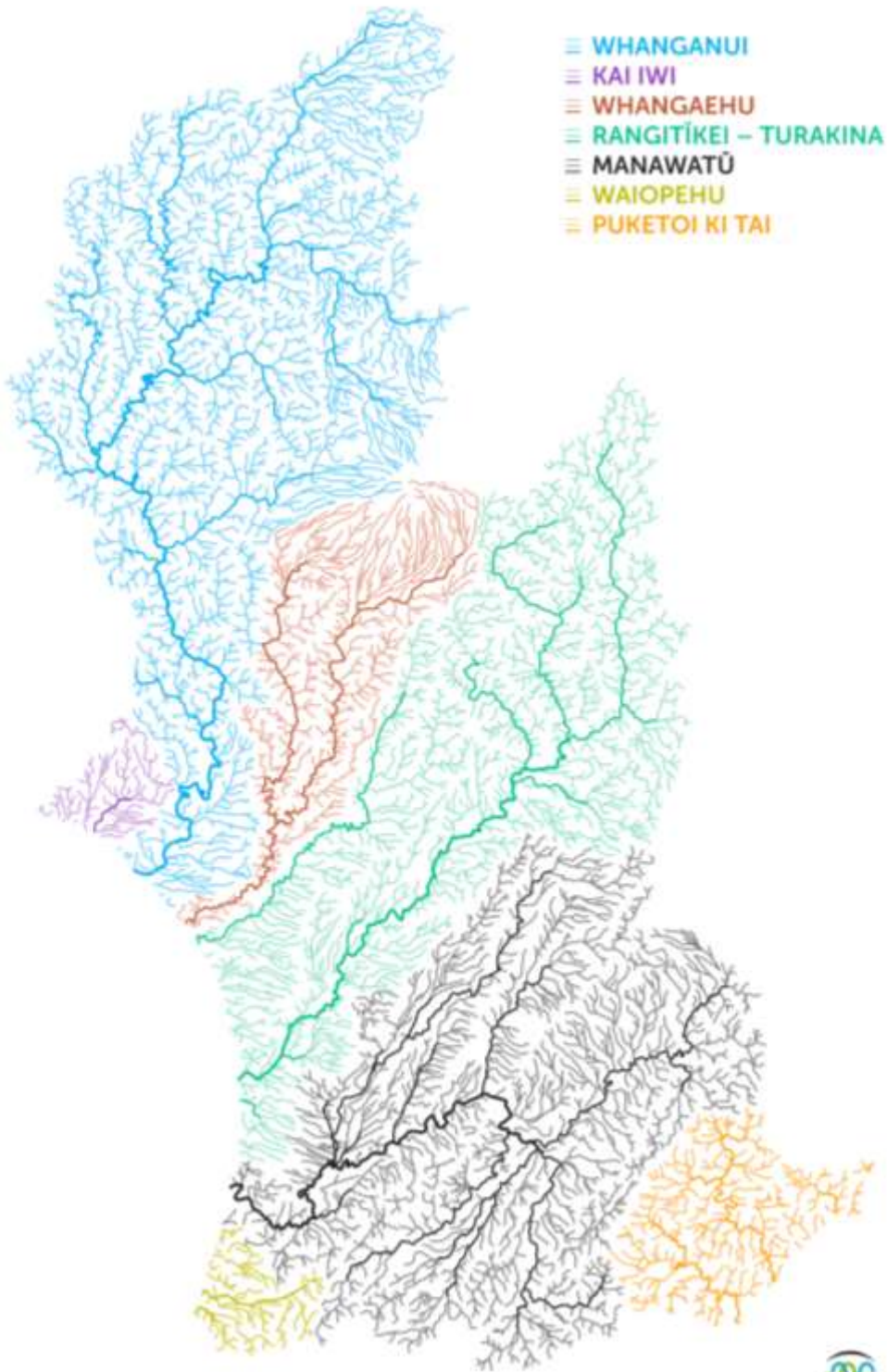
- 12.1. This work is being undertaken to meet our obligations under the Resource Management Act 1991, which is excluded from Horizons' Significance and Engagement Policy.
- 12.2. Any decision-making regarding ongoing resourcing requirements beyond 2020-21 will occur following consultation with the community through Horizons' long-term planning process.

Abby Matthews
SCIENCE AND INNOVATION MANAGER

Dr Nic Peet
GROUP MANAGER – STRATEGY AND REGULATION

ANNEXES

- A Proposed Freshwater Management Units



Report No.	21-15
Decision Required	

MĀORI REPRESENTATION

1. PURPOSE

- 1.1. This report provides members with an overview of proposals to amend the legislation governing the establishment of local Māori representation, and its potential implications for Horizons' existing representation arrangements.

2. EXECUTIVE SUMMARY

- 2.1. Amendments to the **Local Electoral Act (LEA)** have changed the process for establishing Māori constituencies. The intent is to improve consistency between the processes for establishing both general and Māori constituencies. There is no longer any requirement or ability to conduct a binding poll of voters; the decision is councils' alone. The amendment applies retrospectively; that is, it removes both the option and requirement for a binding poll for decisions already made that relate to the 2022 local election.
- 2.2. Transitional provisions have also extended to 21 May 2021 the time available to make this decision so it would have effect for the 2022 election, or for councils to revisit decisions they made based on the assumption that a poll could be demanded or conducted voluntarily. This particularly affects councils that are already well along the pathway for considering whether to include Māori representation in their arrangements.
- 2.3. If established, voters on the Māori electoral roll vote in Māori constituencies and voters on the general roll in general constituencies. Provisions governing the process that follows a resolution to include Māori constituencies have not changed. A resolution to establish Māori constituencies would apply for the following two electoral periods.
- 2.4. A full representation review of the number of constituencies (general and Māori), their boundaries, the number of members overall and in each constituency, must be carried out. This process is prescribed in the LEA and must balance the region's identified communities of interest with ensuring their effective and fair representation.
- 2.5. The number of Māori representatives in a region is determined using a formula prescribed in the LEA, based on the proportion of Māori electoral population to general electoral population as estimated by Statistics NZ. In the Horizons Region, there would be 1 Māori elected member if Council consisted of 6-10 members, and 2 if there were 11-14 members.
- 2.6. A representation review involves a full public consultation process (including submissions and appeals); this does not preclude the need to engage widely and less formally with the region's communities, iwi and hapū. In this region, final arrangements are usually determined by the Local Government Commission.

3. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 21-15 and Annexes.

4. FINANCIAL IMPACT

- 4.1. There is no impact on existing budgets as a direct result of this report. However, if Council subsequently made a resolution to establish Māori constituencies for the 2022 local election, there are no resources currently allocated for the required community engagement and representation review process. The estimated cost of conducting a review is in the order of \$87,000 based on the budgets for 2022/23 – 2024/25; it is likely there would also be opportunity costs associated with diverting staff resource from their programmed work.
- 4.2. Following changes to representation arrangements, remuneration levels for elected members may be adjusted depending on whether the arrangement alters the number of representatives. This is because the governance remuneration pool is linked to the size of Council's governance role, not the number of elected members.

5. COMMUNITY ENGAGEMENT

- 5.1. Council would need to carry out a robust engagement process, with the region's hapū and iwi and Māori voters in particular, before and during any process to change current representation arrangements to establish Māori constituencies. Wider community engagement would be necessary to inform a full representation review if one were required.

6. SIGNIFICANT BUSINESS RISK IMPACT

- 6.1. No significant risks associated with the content of this report have been identified.

7. CLIMATE IMPACT STATEMENT

- 7.1. Including Māori constituencies in the region's electoral arrangements would facilitate inclusion of Māori world views and mātauranga Māori in decisions relating to climate change mitigation and adaptation.
- 7.2. Changes to the number or arrangement of elected members or constituencies could alter the volume of emissions resulting from personal travel arrangements; the extent of any change (increase or reduction) would be estimated if a definite proposal were developed.

8. BACKGROUND

- 8.1. The LEA sets out the processes for local authorities to establish and regularly review their representation arrangements – the number of elected representatives, the number of constituencies and their boundaries, and whether there should be Māori constituencies (or wards). Where Māori constituencies are in place, voters enrolled on the Māori electoral role vote for candidates in these constituencies and voters on the general role vote for general constituency candidates.
- 8.2. The LEA provisions governing the establishment of Māori representation in local government were amended in February 2021 by the Local Electoral (Māori Wards and Māori Constituencies) Amendment Act. The purpose of the amendments is to enable local authorities to establish Māori constituencies (and wards) in the same way they would establish general constituencies, by removing all mechanisms for binding polls (both citizen- and council-initiated).
- 8.3. Previously, the process for establishing Māori constituencies was significantly different to the process for general arrangements. Local authorities could do this by resolution or as a result of a poll of electors. However, any resolution (either to establish Māori constituencies or hold a poll) could be overturned by a poll of electors if at least 5 percent of the council's

- electors demanded it. Resolutions which were not followed by a poll and the results of polls applied for two electoral terms.
- 8.4. In contrast, the process for establishing general electoral arrangements does not include any mechanism for polls. Broadly, this process includes council making a proposal and carrying out a public consultation process; the decision can be appealed to the **Local Government Commission (LGC)**. These arrangements are reviewed at least every six years.
 - 8.5. As a result, in practice the poll provisions have effectively imposed a higher procedural standard for establishing Māori constituencies and wards. Between 2002 and 2019 only two councils have succeeded; seven councils have had resolutions countermanded by polls and seven council-initiated polls have resulted in votes against establishing Māori representatives. These polls generally have low participation rates (approximately 40 percent, on average).
 - 8.6. While Māori representation rates have improved across local government during the same period (13.5 percent, estimated by Local Government New Zealand), Māori are still generally under-represented in comparison to their proportion of population (16.5 percent). Other issues identified are associated with the cost of polls for local authorities; the tendency of the processes around polls to cause division and animosity in communities in a way that disproportionately affects Māori; and local authorities or iwi and hapū choosing not to support establishing Māori constituencies or wards to avoid these issues rather than out of consideration of the most appropriate arrangement. These barriers are seen as preventing some councils from utilising the LEA's representation mechanisms to assist in meeting their obligation to provide opportunities for Māori to contribute to decision-making processes under section 81 of the **Local Government Act (LGA)**, instead limiting participation to the level of engagement or consultation.
 - 8.7. The **Minister of Local Government (the Minister)** has also noted that a commonly reported reason for not voting in local elections is the lack of candidates voters can relate to. It is suggested that increasing the number of Māori candidates through the establishment of Māori constituencies and wards may assist in improving Māori voter turnout.
 - 8.8. The intent of the amendments includes correcting inequities between the processes, removing unfair provisions that are creating barriers to Māori participation in local government decision making. Alignment between the two processes is considered consistent with Te Tiriti o Waitangi / the Treaty of Waitangi, recognising the Crown / Māori relationship at the local level and utilising local government's duty to assist the Crown in meeting its obligations under Te Tiriti / the Treaty.
 - 8.9. Local Government New Zealand and Taituarā (previously known as the Society of Local Government Managers) have for some time sought alignment of the two processes from Government and supported the amendments.
 - 8.10. Further changes to align the representation review process for Māori and general constituencies have been signalled by the Minister for consideration later this year. The primary rationale for the two stage process and the speed of stage one was to remove the barriers caused by the poll provisions and pre-empt the 22 February deadline associated with poll requirements that would affect arrangements for the 2022 and 2025 local elections. This is particularly the case for councils that were already well down the pathway towards including Māori representation.
 - 8.11. Of the regional councils, currently Bay of Plenty Regional Council and Waikato Regional Council have Māori constituencies. Northland Regional Council had resolved to establish Māori constituencies and Hawkes Bay Regional Council had resolved to hold a poll prior to the amendment legislation being introduced. In this region, Ruapehu District Council had resolved to establish Māori wards for 2022; previously Manawatū District Council's and

Palmerston North City Council's resolutions to establish Māori wards for 2019 were overturned by polls.

- 8.12. Council last considered whether to establish Māori constituencies in August 2017, prior to carrying out its six-yearly representation review for the 2019 local elections. At that time, it resolved not to establish Māori constituencies or conduct a poll in the region. Council could review that decision at any time; unlike the requirement to carry out a full representation review every six years it is not mandatory.

9. EFFECT OF THE AMENDMENTS

- 9.1. The amendments repeal all provisions relating to conducting polls on the establishment of Māori constituencies, with retrospective effect – that is, it applies to councils that had resolved or received demands to conduct a binding poll on the 2022 arrangements as well as applying to future decisions. They also create a transitional period for councils to make decisions relating to establishing Māori constituencies in sufficient time for the 2022 local elections, extending the deadline from 23 November 2020 until 21 May 2021. This includes allowing councils to revisit decisions already made on the assumption that the unamended provisions would apply.
- 9.2. Any decision made after 21 May (up to 23 November 2023) would apply to the 2025 local election. Decisions to establish Māori constituencies continue to apply for two elections, and remain in place unless a further resolution is made.
- 9.3. The process that must follow a decision to establish a Māori constituency has not changed as a result of these amendments and is set out in the next section. The ability for councils to hold a non-binding poll to seek community views is also still available.
- 9.4. The amendments do not affect Council's resolution in June 2020 to use the First Past the Post voting system for the 2022 and 2025 local elections.

10. PROCESS FOR ESTABLISHING A MĀORI CONSTITUENCY

- 10.1. Any decision to create Māori constituencies would have to be followed by a full review of representation arrangements to accommodate the additional constituencies. The process set out in the LEA is highly prescriptive and must be concluded within specified timeframes. Table 1 below shows the key process steps and deadlines that would be necessary for a decision to apply for the 2022 election. Indicative timeframes are shown in italics.

Table 1: Steps for establishing Māori constituencies for the 2022 local election

PROCESS STEP	TIMEFRAME / DEADLINE
Council resolves to establish Māori constituencies for the 2022 and 2025 elections	No later than 21 May 2021 (Schedule 1 clause 2(2))
Council determines its proposed representation arrangements <ul style="list-style-type: none"> • Number of elected members in total; • Number of members to be elected by voters in Māori and general constituencies respectively; • Names and boundaries of constituencies; and • Number of representatives in each constituency. 	No later than 31 August 2021 (Schedule 1A clause 3)
Public notice of initial proposal – submission period commences	Within 14 days of the decision and no later than 8 September 2021 (Section 19M(1))
Public consultation (submissions) period <i>If no submissions received the initial proposal become final</i>	At least 1 month following public notification of the initial proposal [8 October 2021] (Section 19M(2)(d))
Council considers any submissions, may make amendments, and notifies final proposal	Notification no later than 6 weeks following the close of submissions [19 November 2021] (Section 19N(1))
Appeals and objections period <i>If no appeals or objections received the proposal becomes final</i>	At least 1 month following public notification of the final proposal [19 December 2021] (Sections 19O and 19P)
Any appeals or objections forwarded to the LGC	As soon as practicable and no later than 15 January 2022 (Section 19Q)
LGC makes determination (subject to appeals to the High Court on points for law; 1 month appeal period)	Before 11 April 2022

10.2. As well as these key steps, members should note:

- i. In addition to the formal process steps, LGA provisions relating to community engagement and decision making apply;
- ii. Final proposals that do not comply with the fair representation threshold must also be forwarded to the LGC to determine the final arrangements. This threshold is intended to ensure that each elected member in a region represents a similar number of people, within '+/-10 percent'. Horizons' proposals are not usually able to meet the threshold; and

- iii. The LGC does not have any ability to consider or change a council's decision to establish Māori constituencies but would consider the location or basis of boundaries (for example) as part of the wider arrangements.
- 10.3. Advice from officers during representation reviews would typically present a range of potential constituency arrangements using various configurations of boundaries. The relative ability of each scenario to meet the LEA requirements for arrangements to balance fair and effective representation of communities of interest, while also aligning constituency boundaries with existing territorial authority or ward boundaries as much as possible, would be assessed. This would include looking at the effect of altering the total number of elected members.
- 10.4. These scenarios often use indicative population estimates where they explore alternatives to existing constituency boundaries, because Statistics NZ bases its subnational estimates on units that do not always align. While this approach is adequate for a general discussion of relative scenarios, it may be necessary to commission Statistics NZ to prepare figures, particularly for sub-regional Māori electoral populations.
- 11. IMPLICATIONS OF ESTABLISHING MĀORI CONSTITUENCIES IN THE HORIZONS REGION**
- 11.1. Considering whether to establish Māori constituencies during the transition period provided by the amendments is possible but would present some process challenges given that Horizons has not engaged with iwi and hapū, or communities in the region about its representation arrangements. Engagement would be necessary before officers could prepare advice to Council: with Māori electors in particular to gauge support for establishing Māori constituencies; and across the region's communities, iwi and stakeholders to ensure that consequential changes to the general constituencies will continue to provide fair and effective representation for the region's communities of interest. Resources (staff time and budget) have not been allocated to conduct a representation review prior to the 2022 election.
- 11.2. The LEA provides a population-based formula (using general and Māori electoral populations from Statistics New Zealand) to calculate the proportion of Māori members. Regional councils are permitted to have 6-14 elected members. In Horizons' case, there would be 1 Māori elected member if Council consisted of 6-10 members, and 2 if there were 11-14 members.
- 11.3. The Māori electoral population is not distributed evenly across the region's area. Table 2 (attached as **ANNEX A**) shows an indicative calculation of the changes to electoral population if two Māori elected members were added to the current constituency arrangements. In relation to each constituency's compliance with the fair representation (+/-10 percent) threshold, the range of non-compliance does not alter greatly except in the Ruapehu Constituency.
- 11.4. There has not been any engagement with Māori voters about where boundaries of any Māori constituencies should be. There could be a single constituency with two elected members, covering the entire region, or two constituencies each with one member. In 2017, officers used the indicative scenarios shown in Maps 1 and 2 (**ANNEX B and C** respectively) to provide some basis for discussion of the issues around identifying communities of interest and how they can be fairly and effectively represented. Both maps show two Māori constituencies; Map 1 uses the Rangitikei River as the boundary while Map 2 uses general constituency (and coinciding territorial authority) areas. Any firm proposal, including constituency names, should only be developed following robust engagement with Māori voters and the region's iwi and hapū.

- 11.5. In 2017, the distribution of the indicative Māori electoral population between Takiwā Kākāriki and Takiwā Kahurangi as shown on Map 1 would not have met the LEA +/-10 percent fair representation threshold; they would have been over- and under-represented by 16 percent respectively. In contrast, the scenario shown on Map 2 would have been well within the threshold (2 percent under- and over-represented respectively).
- 11.6. The on-going and increasing significant non-compliance of the Ruapehu Constituency with the fair representation threshold has been justified, in part, on the basis that increasing the size of the area (for example to include part of the Whanganui District area) would jeopardise the effective representation of those communities. This includes constituents' ability to access their elected member and the member's ability to meet face to face with constituents. However, as Map 1 and 2 show, it is likely any Māori constituencies would include considerably larger areas. Members would need to consider whether an extensive revision of the general constituency arrangements in the north of the region should be adopted; this would need to be based on robust engagement with those communities, particularly their general electors, to ensure that unnatural groups or divisions of communities of interest were not created.

12. COMMENT

- 12.1. The option to establish Māori constituencies without the potential constraint of a binding poll to overturn the decision will provide greater process certainty around these decisions. However, it should be noted that once a resolution has been made, it is only the arrangement of general and Māori constituencies (number of constituencies and their boundaries) and the total number of elected members that would be available for consideration through the public consultation process. Broad engagement, particularly with Māori electors as those most affected, should be conducted to support decision-making to ensure Council is complying with the requirements of the LGA.
- 12.2. Establishment of Māori constituencies does not guarantee mana whenua representation as candidates could be from any iwi or hapū, not necessarily one that has its rohe within the constituency or region. Environment Canterbury noted in its submission on the Amendment Bill that even with its region falling entirely within the tribal takiwā of a single iwi, Ngāi Tahu, establishment of Māori constituencies would not guarantee election of a person of Ngāi Tahu descent, or a person answerable to Ngāi Tahu whānui. In Horizons' case, with more than 20 iwi with interests in the region, it is unlikely that one or two Māori elected members would be able to speak on behalf of all iwi and hapū. This is not unlike the situation with Parliamentary Māori representation.
- 12.3. Members should also note that the establishment of Māori constituencies would form part of council's broad and ongoing obligations in respect of its relationships with the region's iwi and hapū. It would not replace the existing day-to-day requirements to build strong, effective and respectful relationships with mana whenua in the region.

13. CONSULTATION

- 13.1. Consultation on the development of policy options and this legislation is the responsibility of central government. Consultation during the development phase was with five government agencies only and relied on previous stakeholder engagement. There was a brief (two days) public consultation period available to make a submission on the Amendment Bill to Parliament's Māori Affairs Committee.

14. NEXT STEPS

- 14.1. A second stage of reforms, to establish a new process for decisions on establishing Māori wards and constituencies, aligned with the current process for establishing general wards and constituencies, has been signalled. These reforms are expected to be enacted in time to apply following the 2022 election.

15. SIGNIFICANCE

- 15.1. The decision to receive the information in this report is not a significant decision according to the Council's Policy on Significance and Engagement.
- 15.2. It should be noted that any decision whether to establish Māori constituencies is likely to be considered significant and would therefore require engagement to ensure the views of those affected, particularly Māori electors, are understood.

Craig Grant
GROUP MANAGER
CORPORATE & GOVERNANCE

Pen Tucker
SENIOR POLICY ANALYST

ANNEXES

- A Scenario Comparison (Existing Arrangement and Maori Constituencies)
B Map 1
C Map 2

Table 2: Impact of introducing Māori constituencies on current arrangements for general constituencies' compliance with 'fair representation' threshold

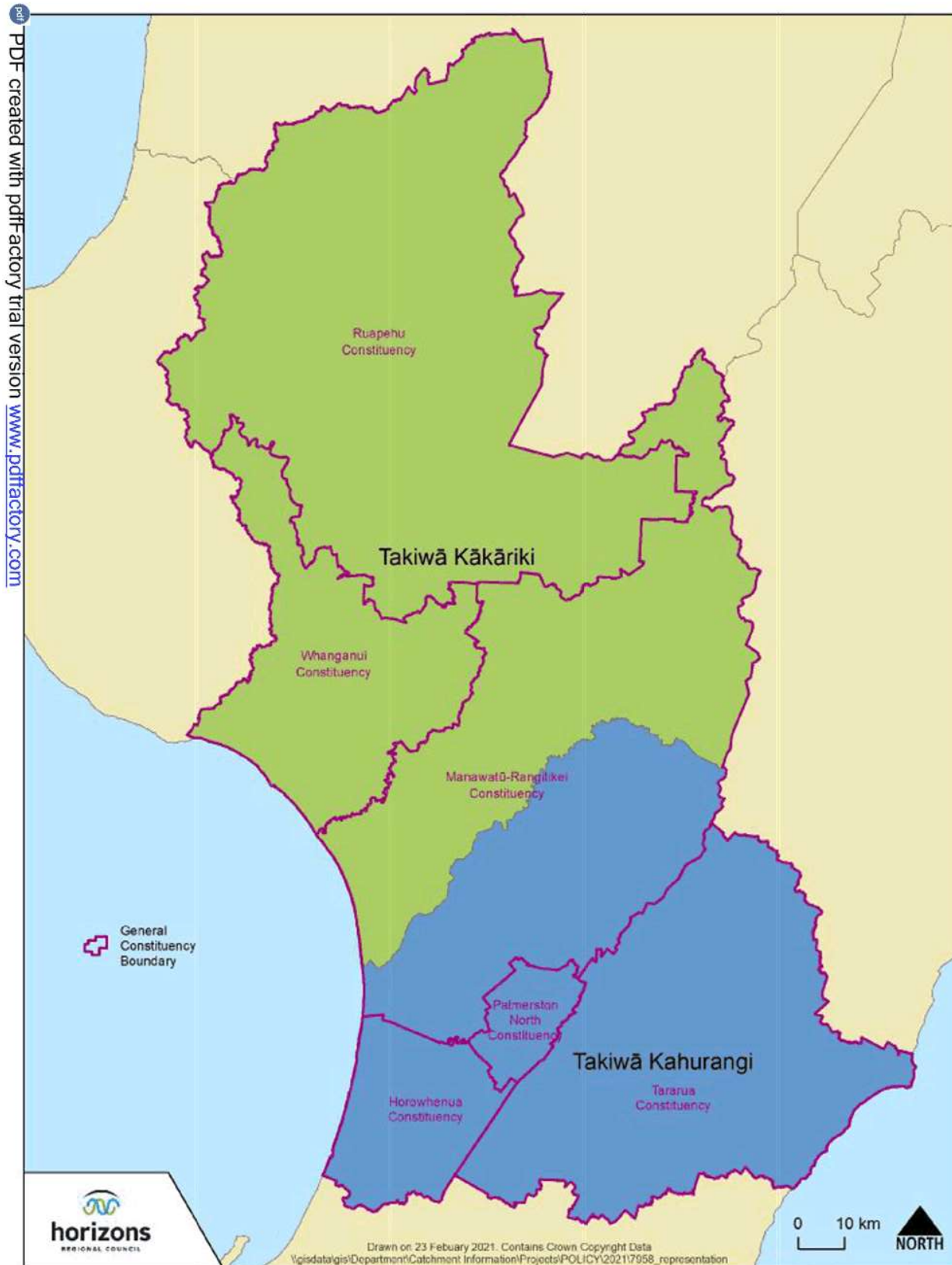
Constituency	Total Electoral Population ¹	No. of Crs	Population per Cr	Deviation from region average population per Cr	Percentage deviation from region average population per Cr ²	Total Electoral Population ³	Māori Electoral Population	General Electoral Population	Population per Cr ⁴	Deviation from region average population per general Cr	Percentage deviation from region average population per Cr (GEP Only)
Ruapehu	13,000	1	13,000	-8,200	-38.68	12,810	3,830	8,980	8,980	-9,170	-50.52
Whanganui	48,100	2	24,050	2,850	13.44	48,090	8,390	39,700	19,850	1,700	9.37
Manawatū-Rangitikei	47,900	2	23,950	2,750	12.97	47,890	5,990	41,900	20,950	2,800	15.43
Palmerston North	90,400	4	22,600	1,400	6.60	90,350	9,650	80,700	20,175	2,025	11.16
Horowhenua	36,100	2	18,050	-3,150	-14.86	36,050	5,050	31,000	15,500	-2,650	-14.60
Tararua	18,900	1	18,900	-2,300	-10.85	18,910	2,860	16,050	16,050	-2,180	-11.57
Māori ⁴						Included above	35,770	0	17,885	-265	-1.46
REGION (using Stats NZ est)	254,400	12	21,200			254,100	35,770	218,330	18,150		

¹ All statistics based on 2020 population estimates provided by Stats NZ

² This calculates compliance with the Local Electoral Act's 'fair representation' threshold (section 19V(22))

³ The next three columns use territorial authority electoral populations statistics (which are not all equivalent to constituencies due to differences in boundaries) as the basis for indicative calculations

⁴ Assumes the two Māori elected representatives are in addition to the current arrangement (i.e., 14 members in total)



Indicative Māori Constituencies

Map 1

PDF created with pdf-factory trial version www.pdf-factory.com



Indicative Māori Constituencies

Map 2

Report No.	21-16
Decision Required	

CLIMATE CHANGE: PROPOSED PATHWAY TO ZERO CARBON TARGETS

1. PURPOSE

- 1.1. This report presents an overview of the Climate Change Commission's draft advice on reducing New Zealand's greenhouse gas emissions. It canvasses implications for our region, and possible themes for submission.

2. EXECUTIVE SUMMARY

- 2.1. The Climate Change Commission has released draft advice on reducing New Zealand's greenhouse gas emissions, and is taking submissions until 28 March 2021.
- 2.2. The Commission's advice includes:
- Proposed first three emissions budgets, through to 2035;
 - Policy guidance on how emissions budgets could be met;
 - A finding that commitments New Zealand has made under the Paris Agreement are not compatible with limiting warming to 1.5°C above pre-industrial levels; and
 - Consideration of reductions in biogenic methane that might be needed by 2100.
- 2.3. The Commission concludes that New Zealand needs to do more in order to meet the targets established through the Zero Carbon Act. It also concludes that we should shift focus from net emissions (and offsetting with plantation forestry) to decarbonisation at source.
- 2.4. Decarbonisation would require transformational change of the transport and energy sectors, in particular. Plantation forestry would remain important for building materials and biofuel; native forests would be established as carbon sinks, eventually replacing carbon farming in its current form.
- 2.5. Through to 2050, the Commission believes biogenic methane targets can be met without loss of overall agricultural profitability. In the longer term, it suggests that deeper cuts in methane emissions are likely to be necessary.
- 2.6. The Commission recommends that Government seek cross-party support for climate policy. It should better align effort across departments, and develop a partnership model with local government and iwi/Māori, to support enduring and equitable change.
- 2.7. The Climate Change Minister is required to set emissions budgets for 2022-35, and produce an emissions reduction plan for 2022-25, by 31 December 2021. The presumption in law is that the Minister follow the Commission's advice.
- 2.8. Our assessment is that the Commission's analysis is robust and its recommendations generally sound. They provide much-needed direction and present a coherent view of what will be required for New Zealand to transition to a low-emission future. Aspects of the proposed policy response would benefit from greater specificity.
- 2.9. We recommend that Council express its support for the Commission's advice. Members may wish to offer local examples and other evidence to assist the Commission in fleshing out its final advice.

3. RECOMMENDATION

That the Committee recommends that Council:

- a. **receive** the information contained in Report No. 21-16.
- b. **agree** to submit in support of the Commission's advice; and
- c. **agree** that specific submission points be confirmed by the Chair.

4. FINANCIAL IMPACT

- 4.1. There is no financial impact.

5. COMMUNITY ENGAGEMENT

- 5.1. The Climate Change Commission is seeking public submissions on its draft emissions budgets. There is no requirement for Horizons' to conduct public consultation.

6. SIGNIFICANT BUSINESS RISK IMPACT

- 6.1. The Commission's advice, if adopted by the Minister, will impact on several areas of Horizons' operations. There is, however, no significant business risk associated with this report.

7. CLIMATE IMPACT STATEMENT

- 7.1. The Commission's position on emissions reductions is a key element of New Zealand's response to climate change. It will influence the context within which Horizons operates in the years ahead. Early engagement with the Commission's advice will improve our ability to respond effectively to climate change in our region.

8. LEGISLATIVE CONTEXT

- 8.1. The **Climate Change Response (Zero Carbon) Amendment Act 2019** sets a framework for New Zealand's response to climate change, including action to reduce greenhouse gas emissions. It includes emissions reductions targets:
 - reduce emissions of greenhouse gases, other than biogenic methane, to net zero by 2050; and
 - reduce biogenic methane emissions by at least 10 percent by 2030 and 24-47 percent by 2050, compared to 2017 levels.
- 8.2. Under the Act, a Climate Change Commission has been established to provide independent, expert advice to Government and to monitor progress with implementation.
- 8.3. One of the Commission's tasks is to advise the Climate Change Minister on emissions budgets that move New Zealand toward its domestic targets and international obligations. Emissions budgets are, as far as possible, to be met domestically. The use of offshore mitigation – paying for reductions and removals overseas – is only to be used as a last resort. In providing its advice, the Commission is required to consider:
 - technologies and practice changes available now, technologies on the horizon, and costs and constraints in making these changes;
 - New Zealand's contribution to the global goal of limiting warming to 1.5°C above pre-industrial levels;

- potential impacts on the economy, society, culture, environment and ecology, including on different regions, communities and generations;
- how emissions budgets could be met and the direction of policy for achieving them.

8.4. Emissions budgets are to be set well in advance, to improve predictability for communities, businesses, and investors. Budgets for three periods (2022-25, 2026-30, and 2031-35) are to be set by the Minister this year, along with an emissions reduction plan for the first period (2022-25). If the Minister departs from the Commission's advice, he is required to explain his reasons.

9. NEW ZEALAND'S EMISSIONS

9.1. The Zero Carbon Act establishes a 'split target' for greenhouse gases. Biogenic methane (primarily from waste and livestock) on the one hand, and long-lived gases (primarily from the burning of fossil fuels) on the other. In 2018, New Zealand's gross greenhouse gas emissions comprised about 45.5 Mt CO₂e of long-lived gases and 1.34 Mt CH₄ of biogenic methane. Taking into account the greater global warming potential of short-lived methane relative to long-lived carbon dioxide, New Zealand's National Greenhouse Gas Inventory reports a total of approximately 78.9 Mt CO₂e across all gases for 2018. About 30 percent of those emissions were offset by removals through forestry.

9.2. Gross emissions have increased by 24 percent since 1990. In more recent years, emissions from domestic transport have continued to rise even as emissions from other sectors stabilised or decreased. Emissions are projected to fall as a result of current government policy – but not by enough to meet legislated targets.

10. THE COMMISSION'S DRAFT ADVICE

10.1. The Commission released its draft advice for public consultation on 31 January 2021. The submission period was to close on 14 March, but has been extended until 28 March. Advice will be finalised and released by 31 May 2021.

10.2. Greenhouse gas emissions (and measures to reduce them) are a complex subject. They permeate the breadth of economic activity and social practice; they influence and are influenced by ecology and the landscape. The Commission's report is necessarily lengthy. It explores the impacts of possible policy on different sectors, and distributional effects across the community. This paper provides only a summary of key points as they relate to local government's role and our region. It does not attempt to replicate the Commission's advice. Members may find it useful to refer to the advice report and background information at:

<https://www.climatecommission.govt.nz/get-involved/our-advice-and-evidence/>

10.3. The Commission's advice includes:

- Proposed first three emissions budgets, through to 2035;
- Policy guidance on how emissions budgets could be met;
- A finding that commitments New Zealand has made under the Paris Agreement are not compatible with limiting warming to 1.5°C above pre-industrial levels; and
- Consideration of reductions in biogenic methane that might be needed by 2100.

10.4. The Commission's advice draws on a set of principles that it has developed for transition to a thriving, climate-resilient and low emissions Aotearoa:

- Align with the 2050 targets.
- Focus on decarbonising the economy.
- Create options.
- Avoid unnecessary cost.
- Transition in an equitable and inclusive way.
- Increase resilience to climate impacts.
- Leverage co-benefits.

Proposed emissions budgets

10.5. The emissions budgets proposed by the Commission are presented in Table 1 below. Due in part to methodological differences, these figures are not directly comparable to the figures quoted in paragraph 9.1 above. The budgets require relatively modest reductions in 2022-25, with steeper reductions in subsequent periods. Current and proposed emissions trajectories are illustrated in Figure 1.

	Emission budget 1 (2022-25)	Emission budget 2 (2026-30)	Emission budget 3 (2031-35)
<ul style="list-style-type: none"> • Total net emissions budget • <i>Annual average</i> 	<ul style="list-style-type: none"> • 271 Mt CO₂e • 67.7 Mt CO₂e/yr 	<ul style="list-style-type: none"> • 286 Mt CO₂e • 57.3 Mt CO₂e/yr 	<ul style="list-style-type: none"> • 223 Mt CO₂e • 44.6 Mt CO₂e/yr
<ul style="list-style-type: none"> • REMOVALS • Forestry carbon removals • <i>Annual average</i> 	<ul style="list-style-type: none"> • 26 Mt CO₂e • 6.5 Mt CO₂e/yr 	<ul style="list-style-type: none"> • 49 Mt CO₂e • 9.8 Mt CO₂e/yr 	<ul style="list-style-type: none"> • 68 Mt CO₂e • 13.6 Mt CO₂e/yr
<ul style="list-style-type: none"> • EMISSIONS – LONG-LIVED GASES • Gross long-lived gases 	<ul style="list-style-type: none"> • 174 Mt CO₂e 	<ul style="list-style-type: none"> • 190 Mt CO₂e 	<ul style="list-style-type: none"> • 153 Mt CO₂e
<ul style="list-style-type: none"> • <i>Carbon dioxide</i> 	<ul style="list-style-type: none"> • 133.7 Mt CO₂e 	<ul style="list-style-type: none"> • 143.2 Mt CO₂e 	<ul style="list-style-type: none"> • 110.8 Mt CO₂e
<ul style="list-style-type: none"> • <i>Nitrous oxide</i> 	<ul style="list-style-type: none"> • 29.4 Mt CO₂e 	<ul style="list-style-type: none"> • 35.3 Mt CO₂e 	<ul style="list-style-type: none"> • 33.1 Mt CO₂e
<ul style="list-style-type: none"> • <i>F-gases</i> 	<ul style="list-style-type: none"> • 7.3 Mt CO₂e 	<ul style="list-style-type: none"> • 8.1 Mt CO₂e 	<ul style="list-style-type: none"> • 6.7 Mt CO₂e
<ul style="list-style-type: none"> • <i>Non-biogenic methane</i> 	<ul style="list-style-type: none"> • 3.4 Mt CO₂e 	<ul style="list-style-type: none"> • 3.1 Mt CO₂e 	<ul style="list-style-type: none"> • 2.2 Mt CO₂e

<ul style="list-style-type: none"> • EMISSIONS – BIOGENIC METHANE • Gross biogenic methane* 	<ul style="list-style-type: none"> • 4.92 Mt CH₄ 	<ul style="list-style-type: none"> • 5.83 Mt CH₄ 	<ul style="list-style-type: none"> • 5.53 Mt CH₄
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Table 1: Proposed emissions budgets. From Climate Change Commission, *2021 Draft Advice for Consultation*.

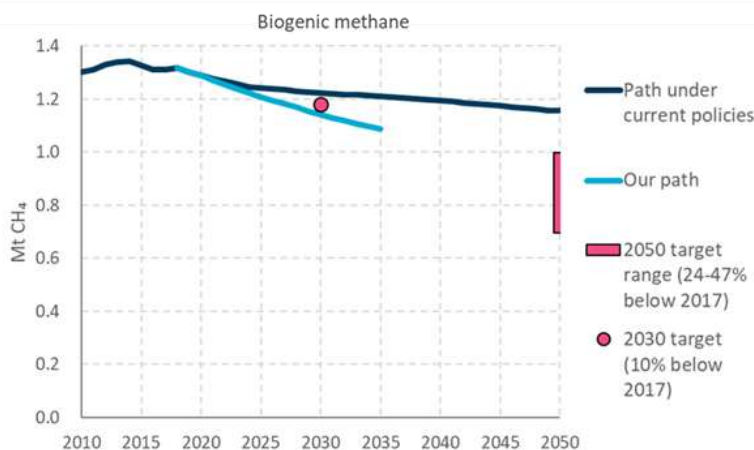
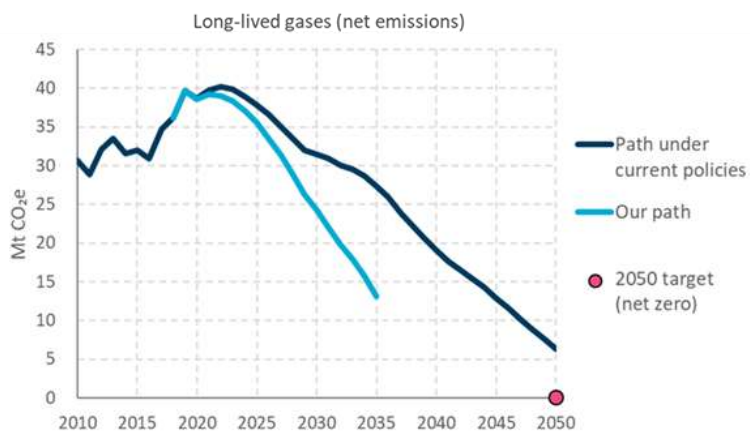


Figure 1: Emissions pathways for long-lived gases and biogenic methane. From Climate Change Commission, *2021 Draft Advice for Consultation*.

- 10.6. The Commission concludes that these reductions are ambitious but achievable, and that there are affordable, socially acceptable pathways to get us there. Those pathways do not rely on future technologies.
- 10.7. The overall cost of meeting the proposed emissions budgets is estimated to be less than 1 percent of GDP – significantly less than was expected when targets were considered by Parliament. While the overall costs are small relative to the economy, they will not be evenly felt.
- 10.8. The Commission concludes that current policies do *not* put New Zealand on the right track. Government’s current approach, centred on the Emissions Trading Scheme, focuses heavily on net emissions. Rather than driving meaningful decarbonisation, the Commission argues, this will use up land resources to offset avoidable emissions. This is not sustainable (given that we have a limited land area) and would leave the next generation to reduce gross emissions at the same time as they will need to adapt to escalating impacts of climate change.

- 10.9. The Commission proposes a “profound shift” away from net emissions and forestry offsetting, to focus instead on reducing emissions at source.
- 10.10. In light of this change in approach – and the projected overshoot of its 2050 targets – the Commission believes Government must pick up the pace. It concludes that strong and decisive action is urgently needed to drive transformational change across all sectors of the economy.
- 10.11. Priority areas identified by the Commission include increasing the number of electric vehicles on our roads, increasing our total renewable energy, improving farm practices, and planting more native trees to create long-term carbon sinks. These priorities are outlined in Table 2 and explored in more detail in the following paragraphs. The Commission also recommends cross-cutting initiatives to support behaviour change and make sure that climate change is factored into all government decisions.

		Budget 1	Budget 2	Budget 3
Transport	Road transport	Accelerate EV uptake Improve average efficiency of new ICE vehicles		Phase out new light ICE vehicles Electrify medium and heavy trucks
	Reducing travel demand	Encourage remote working for those who can Encourage switching to walking, cycling and public transport		
	Non-road transport	Electrification of rail	Biofuel blending Start electrification of ferries and coastal shipping	
Heat, Industry and Power	Buildings	No new gas heating systems installed after 2025 Improve thermal efficiency		Start phase out of gas in buildings
	Electricity	Phase out fossil base-load generation	Transmission and distribution grid upgrades Reduce geothermal emissions	Expand renewable generation base Achieve ~95% renewable generation
	Industrial process heat	Replace coal with biomass and electricity		Replace gas with biomass and electricity
	Agriculture	Adopt low emissions practices on-farm	Adopt low emissions breeding for sheep	Encourage the adoption of new low methane technologies when available
Land	Native Forests	Ramp up establishing new native forests		Establish 25,000 hectares per year
	Exotic Forests	Average 25,000 hectares per year of new exotic plantation forests		Ramp down planting new exotic plantation forests for carbon storage
Waste and F-Gases	Waste	Divert organic waste from landfill Improve and extend landfill gas capture		
	Hydrofluorocarbons (HFCs)	Reduce import of HFCs in second-hand products Increase end-of-life recovery		

Table 2: Proposed actions to reduce emissions. From Climate Change Commission, *2021 Draft Advice for Consultation*.

Transport

- 10.12. Transport emissions are a significant focus of the Commission’s advice. We will need to change the way we plan and build our cities to make it faster and easier to get around. Key aspects of the Commission’s strategy include:

- An integrated national transport network to reduce travel by private car. Much more walking, cycling and use of public and shared transport.
- Wide adoption of electric vehicles; EVs to make up the majority of the vehicles imported for everyday use by 2035. Government support and incentives to make this happen.
- Increased use of low carbon fuels, such as biofuels and hydrogen, particularly in heavy trucks, trains, planes, and ships.

Heat, industry and power

10.13. Use of fossil fuels for heat, industry and power will need to have almost ceased by 2050. (The Commission acknowledges that there may be some small exceptions, such as steel production, where no viable alternative technology currently exists.) This means maximising electricity usage and, correspondingly, building more renewable electricity generation.

- Almost eliminate fossil fuels. This means ending the use of coal.
- Homes, buildings and infrastructure built now will still be here in 2050. Choices must be made with climate change in mind, e.g. by using low emissions technologies and prioritising energy efficiency.
- In the long-term, reductions in natural gas use in homes and businesses.

Land use (forestry and agriculture)

10.14. The Commission argues for a progressive shift in approach from offsetting New Zealand's emissions with plantation forestry to creating long-term carbon sinks in the form of native forest on less productive land. There are a variety of reasons for this – long-term sustainability, impact on communities, cobenefits of permanent forests, wildfire risk, an emphasis on decarbonisation of the economy.

10.15. In relation to agriculture, the Commission concludes that New Zealand can achieve methane reduction targets for 2030 (10 percent below 2017 levels) and the lower end of the 2050 target range (ca 24 percent reduction) without any technology developments or loss of profitability.

10.16. Changes in on-farm management practices driven by freshwater policy can also reduce biological agricultural emissions; farmers may already be moving in the right direction. Emissions reductions of the scale required will rely on highly skilled farm management and high-quality data to support decision making. Policies need to be cohesive across environmental issues to ensure they achieve multiple outcomes.

10.17. In addition to improving efficiency on farms now, the successful development of new technologies and practices would provide greater flexibility and allow New Zealand to meet the more ambitious end of the 2050 biogenic methane target range without reducing agricultural production.

10.18. The Commission's main recommendations in relation to land use include:

- A cohesive Government strategy taking a holistic view of how we use and protect our land. It should include water, biodiversity and climate.
- Farmers taking action now to reduce emissions on their farms while maintaining, or even improving, productivity. This includes reducing animal numbers and better animal, pasture and feed management. Policy support to make this happen.
- A long-term plan for targeted research and development of new technologies to reduce emissions from agriculture.

- Pine trees will still play an important role in getting to 2050 and could support a future bioeconomy, as bioenergy to replace fossil fuels and as timber for building.
- Existing forests, small blocks of trees, soils and wetlands can all store more carbon. Work is needed to better understand this potential and how to include this in accounting systems.
- Native forests can create a long-term carbon sink while providing a range of other benefits, like improving biodiversity and erosion control. Incentives are needed to get more native trees planted.

Waste

10.19. The Commission advises that New Zealand needs to fundamentally change the way it thinks about waste. The report recommends measures to reduce waste going to landfills by a quarter in 2035, and better management of waste streams as a resource:

- Creating a circular, self-sustaining economy to reduce New Zealand's waste emissions and cut biogenic methane emissions. Strengthened product stewardship and a commitment to resource recovery and reuse.

Enabling an enduring transition

10.20. Tackling climate change will require unprecedented coordination across government, industry and society. To that end, the Commission offers advice not only on the form of change required, but on how change might be achieved.

10.21. While action is urgent, the Commission argues that the speed of transition must be steady – fast enough to be effective, but with adequate consideration and support for people through the change. An important part of this will be taking a long-term view and sending signals early to provide communities, businesses and investors with the predictability that they need to plan and invest. This will help to maximise opportunities while minimising disruption and inequalities.

10.22. Different groups, regions and sectors will be affected by climate change and associated policy in different ways. The Commission suggests that policy will need to be carefully designed and accompanied by targeted support. It will also need to recognise and encourage cobenefits of climate action, including health improvements, quieter streets, cleaner water and increased biodiversity through more native forests.

10.23. Communities and regions that may be particularly affected should be identified, and processes initiated for local transition planning in these areas. This would require the Government to work in partnership with local government and regional economic development agencies, iwi/Māori, local communities, businesses, civil society groups and stakeholders.

Iwi/Māori

10.24. The Commission recognises the importance of the Treaty Partnership in New Zealand's transition to a low-emissions society. It recommends further effort – on the part of both central and local government – to remove barriers and to give effect to a genuine and enduring partnership with iwi/Māori. This includes recognition of rights to exercise rangatiratanga and kaitiakitanga in a joint plan to reduce emissions, as well as support for Māori communities to transition to a low-emissions Aotearoa.

10.25. Specifically, the Commission proposes that the Government publish, by 31 December 2022, a plan to partner with iwi/Māori and local government to implement emissions reducing pathways and actions. The plan should:

- Give effect to the He Ara Waiora tikanga.

- Include pathways and actions (which could include regional outcomes and actions frameworks) to remove barriers to participation for iwi/Māori.
- Enable iwi/Māori to exercise rangatiratanga and kaitiakitanga.
- Promote equal access to new information, technology, employment and enterprise opportunities.

Local government's role

- 10.26. Local government decisions in a number of areas (land use, urban form, road and transport services, housing, three waters, waste management, flood management, etc) have a bearing on individuals' and businesses' emissions. Although the Commission's budgets and policies are largely sectoral, they acknowledge that delivery on them will require central and local government to work in partnership.
- 10.27. The Commission advocates for alignment of legislation and policy to enable local government to make effective decisions in relation to climate change. It suggests this should encompass the Local Government Act, the Building Act and Code, national direction under the RMA, proposed RMA reforms, implementation of the freshwater management framework, and 30-year infrastructure plans.
- 10.28. The Commission also suggests that funding and financing mechanisms are required, across layers of government, to enable the emissions reduction plans to be implemented effectively and to address the distributional effects of policy change.
- 10.29. In the interests of more inclusive policy development, the report further recommends that central and local government develop new mechanisms to incorporate the views of all New Zealanders when determining policies and priorities.
- 10.30. The Commission proposes two indicators of alignment between central and local government:
- Government to have, by 30 June 2022, outlined its progress on developing the necessary partnerships between central and local government.
 - Government to have published a work plan by 31 December 2022 outlining how alignment and funding will be addressed and the milestones for achieving this plan.

Equitable Transitions Strategy

- 10.31. The Commission recommends that the Government develop an Equitable Transitions Strategy linked to its Economic Plan. The strategy should outline:
- How the Government will build the evidence base for assessing the distributional impacts of climate change policy decisions that align with tikanga values.
 - A process for factoring distributional impacts into climate policy and designing social, economic and tax policy in a way that minimises or mitigates the negative impacts.
 - Guidance for developing local transition plans that are customised for and codeveloped with local government and affected communities.
 - How the Government will support affected workers to transition into new work.

New Zealand's Nationally Determined Contribution

- 10.32. **Nationally Determined Contributions** (NDCs) are the targets each country sets itself under the Paris Agreement. Cumulatively, they aim to limit global warming to 1.5°C above pre-industrial levels. New Zealand's NDC is a 30 percent reduction in net emissions from 2005 levels over the 2021-30 period.
- 10.33. The Commission was asked to determine whether the New Zealand's current NDC was compatible with global efforts. It found that it is not.

10.34. The Commission advises that the NDC would need to be strengthened to reflect a reduction in emission, relative to 2005, of well over 35 percent by 2030. How much more than 35 percent should reflect the tolerance for climate and reputational risk, economic impacts, and principles for effort sharing. These are political questions that the Commission has left for politicians to consider.

Long-term biogenic methane targets

10.35. The Commission was also asked to provide advice on how much biogenic methane emissions may need to reduce in the future for New Zealand to meet its international obligations. It concluded that New Zealand may need to reduce methane emissions by 49-60 percent below 2017 levels by 2100. This advice does not affect the 2050 target already in place.

11. IMPLICATIONS FOR HORIZONS

11.1. Emission reduction targets have already been set by Parliament, through the Zero Carbon Act. They are not subject to debate. The Commission's task has been to identify a pathway to achieve those targets. The Commission concludes that we are not doing enough, but that meeting our targets is achievable with current technologies, and at a relatively modest cost.

11.2. The Commission has engaged widely in developing its advice, adopting a carefully considered, principled approach with a high degree of analytical rigour. Attention has been paid not only to the changes required to reduce emissions, but also to issues of fairness and durability.

11.3. Overall, it is recommended that Members support the Commission's recommendations. They provide much-needed direction and present a coherent view of what will be required for New Zealand to transition to a low-emission future.

11.4. Within that general frame, there are areas in which Members may wish to provide more specific commentary. Issues of particular relevance to local government and our region are canvassed below. In addition to feedback on its various policy proposals, the Commission has expressed interest in views on "six big issues":

- Do the emissions budgets put New Zealand on course to meet 2050 targets?
- Has a fair balance been struck between action now, and action for future generations?
- Do proposed changes make the NDC compatible with the 1.5C goal?
- Should planting new native forests to provide long-term carbon storage be prioritised?
- What type of policy intervention is most urgently needed to help meet emissions budgets?
- Are budgets and the pathway to 2035 both achievable and ambitious enough, considering the potential for behaviour and technology changes in the future?

11.5. The following discussion is not exhaustive; Members may have views on other aspects of the Commission's work. The Commission has indicated that is particularly interested in submissions that are supported by evidence.

Pace of change

11.6. While the Commission (and Government) must work towards the targets for 2050 set out in the Zero Carbon Act, there are choices in the trajectory we take to get there. Our pathway is unlikely to be a straight line of consistent year-on-year reductions:

- There will be significant lags between policy changes and reductions in emissions — because of the age of our vehicle fleet, industry investment cycles, capacity issues, etc.
 - Forestry harvesting cycles have a significant impact on New Zealand’s net emissions.
 - In addition, the Commission believes that a change in approach is necessary.
- 11.7. Against this background, several factors influence the appropriate pace of change:
- *Affordability*: the Commission estimates the cost of its package at less than 1 percent of GDP – much less than assessments that accompanied the Zero Carbon Act. Impacts will not be felt evenly.
 - *Achievability*: Many of the recommendations are already in train – but the work required to implement others is huge.
 - *Effectiveness*: while we talk about ‘zero-carbon 2050’, it is cumulative emissions that matter. The slower we are in reducing emissions now, the more aggressively we will need to do so in a few years.
- 11.8. Another consideration is the Commission’s finding that New Zealand’s NDC target is not consistent with international obligations. While the budgets presented in the Commission’s advice put us on a pathway to the targets currently set in the Zero Carbon Act, those targets are more likely to become more stringent than less stringent between now and 2050. This risk must be set against the bow wave of work required over the next few years to set New Zealand on the course the Commission proposes.
- 11.9. While the report talks generally of the cobenefits of action to reduce emissions, and certainly considers impacts on the economy, society, culture, environment and ecology, the headline metric used to assess the overall affordability of the package is GDP. Members may wish to encourage the Commission to incorporate broader measures into its analysis – four wellbeings, for instance, or Treasury’s Living Standards Framework.
- 11.10. Members may also have a view on the pace of change. The role of local government in implementing the Commission’s advice (discussed below) may have a bearing on the ‘achievability’ dimension.

Partnership with iwi

- 11.11. The Commission identifies the importance of iwi involvement in action to address climate change. It also acknowledges the burden responding to consultation (across environmental and social policy) already places on iwi groups. An issue that the Commission might acknowledge more clearly is the tension between expectations of genuine partnership, the timeframes within which action needs to be taken, and the resourcing available to either iwi organisations or local government to do so.
- 11.12. Council has set aside a significant sum in its draft Long-Term Plan to support iwi involvement in freshwater planning. This may be a useful example of the sorts of figures involved. Members may wish to encourage the Commission to consider where costs most appropriately fall and how resource is best provided.

Partnership between central and local government

- 11.13. We recommend that Council support a stronger partnership between central and local government, as outlined in enabling recommendation 4 (p.42 of the Commission’s report), but consider whether the Commission’s recommendations go far enough to address the institutional challenges that local government currently faces in responding to climate change.
- 11.14. Resource management reform, and creation of a Strategic Planning Act, present an opportunity to better align the various pieces of policy and legislation that have a bearing

on local action. As a minor point, the Land Transport Management Act appears to be missing from the set of legislation that guides decisions on climate change.

- 11.15. Funding and financial are also critical areas. The decisions central government makes will impose costs on local authorities and communities. Members may wish to express a view on the form funding models should take. For example, the Commission elsewhere emphasises the importance of signalling consistent, long-term policy direction: is this also true for funding? How might funds be structured to provide to local authorities and communities with enough clarity to plan ahead?
- 11.16. Members may wish to consider whether there are dimensions beyond policy alignment and funding mechanisms that are important in establishing a genuine partnership between central and local government. It might, for example, be useful if central government's work plan included support for the development and application of tools for local responses, perhaps extending programmes such as the 'Just Transitions' initiative in Taranaki.

Participatory processes

- 11.17. The Commission recommends the establishment of new participatory processes (such as a citizens' assembly) to ensure the views of all New Zealanders are reflected in policy development. It is not clear at what scale this is intended – whether national, regional, or more local.
- 11.18. It would be useful to know what the Commission intends. If – as seems appropriate – at least some of these processes are envisaged at a regional or local level, resourcing may be an issue. A degree of flexibility may be appropriate to recognise existing initiatives and local preferences.

Forestry, and decarbonisation at source

- 11.19. The commission has concluded that, with our focus on forestry offsets and net emissions, New Zealand is not currently on the right pathway. There are several reasons for this: the simplest is that we will eventually run out of suitable land for new plantations. The Commission argues that we should instead focus on reducing gross emissions (principally from transport and energy generation), invest in native forests as long-term carbon sinks and, over the longer term, shift the focus of plantation forestry towards biofuel and building material.
- 11.20. Prior to passage of the Zero Carbon Act, the Parliamentary Commissioner for the Environment produced a report in which he argued that plantation forestry should not continue to be relied upon to offset fossil fuel use. The Climate Change Commission's advice is consistent with that position.
- 11.21. Decarbonisation at source is closely linked to policies on forestry. At its broadest level, the emphasis in the Commission's report on putting the right tree in the right place (for the right reason) aligns with Horizons' efforts through the Sustainable Land Use Initiative and other programmes. Shifting focus from (exotic) plantation forestry for offsetting, to permanent (native) forests with a range of cobenefits, may go some way to allaying concerns in parts of the region about excessive &/- inappropriate afforestation to the detriment of local communities.
- 11.22. While a shift away from offsetting emissions through carbon farming is likely – eventually – to slow the conversion of farms to forestry, new forests will continue to be established for the foreseeable future. This may have a disproportionate effect on our region, and its rural communities, given the relatively large area of lower-producing pastoral land.
- 11.23. The Commission would require forest management plans for all forests over 50ha (including new permanent native forests). It is not clear whether those plans would include pest control. As forest areas increase, so does the habitat available for pest species. The Commission has recognised the issue, and would require pest control in pre-1990 forests. If foresters are to be incentivised (through the ETS or any other mechanism) to establish

new, permanent forests as carbon sinks, it would make sense to maximise the carbon sequestration potential of those forests by actively managing pests. Explicit inclusion of pest control in the proposed forest management plans would be an obvious way to achieve this. The alternative may be that the task eventually falls back on regional councils.

Agriculture

- 11.24. The Commission's advice signals significant and ongoing change for the agricultural sector. The report indicates that this can be achieved without loss of profitability, and that many farmers will already be moving in the right direction. Reducing biogenic methane emissions by moving *all* farms to adopt best practice will require a substantial investment in research, knowledge transfer, and application to different farm systems (i.e., extension programmes). The Commission's observation that policies need to be cohesive across environmental issues (including fresh water and biodiversity, as well as climate change) is an important one. This should include integration into farm plans already being developed, policy mechanisms, and consideration of who regulates / advises farmers.
- 11.25. The report, overall, includes little discussion of nitrous oxide – a long-lived greenhouse gas that makes up around 10 percent of New Zealand's emissions. Nitrous oxide is part of the agricultural nitrogen cycle and will interact particularly closely with regional council efforts to improve freshwater outcomes.
- 11.26. Scenarios used to inform the Commission's analysis included some dairy land transitioning to horticulture. Members may wish to draw the Commission's attention to the need for care in placing horticulture operations, given the high per-hectare leaching rates associated with high-rotation crops and potential impacts on waterbodies.
- 11.27. The Commission's advice proposes faster reductions in biogenic methane emissions than current policy settings will deliver. To do so, it relies principally on the existing policy development programme, *He Waka Eke Noa*. It would be useful to know what the Commission proposes be done differently, or what it considers *He Waka Eke Noa* should prioritise, to drive faster results.
- 11.28. The Commission acknowledges the need to support sectors and communities through transition – though it is also clear that any support should be to enable transition, not to continue with high-emission practices. If Members agree with this approach in principle, you may take a view on what sort of support is most helpful.

Transport

- 11.29. As a major source of New Zealand's emissions, transport features heavily in the Commission's advice. Aspects of the Commission's proposed policy approach could provide greater specificity. Transport is one of these.
- 11.30. On the whole, there is perhaps an overemphasis on electric vehicles and little detail on how to encourage people to use private motor vehicles less. The transformational change that the Commission says is necessary will mean changing our built environments to reduce the need for travel, and make modes other than private vehicles (such as cycling and public transport) safe, quick, and convenient.
- 11.31. The importance of urban form is acknowledged in the report but receives little attention. The report would benefit from closer consideration of how to encourage urban development that reduces the need for lengthy commutes and to better integrate strategic planning for transport and land use. Shorter commutes will likely do as much to reduce emissions, with greater cobenefits, than more efficient vehicles. Urban form is slow to change and policies may do little to reduce emissions within the first three budget periods. Nonetheless, clear policy direction can influence the decisions of planners and investors over time; progress in budget periods after 2035 will rely on that direction being provided soon.

- 11.32. Achieving a shift toward public transport and walking / cycling will require significant investment to make these modes more attractive and to accommodate future growth. The Government Policy Statement on Land Transport already provides support for walking, cycling, and low-emission public transport. Funding is a key limitation in improving public transport services. Not only are we struggling to meet the required the local share, Waka Kotahi have very little available to support public transport services and infrastructure. Further, electrification of the passenger transport fleet (as recommended by the Commission) greatly exceed the \$50 million set aside by Government. These costs are likely to fall to councils. Members may wish to suggest clearer direction, especially around mode-shift to public and active transport as a way to reduce carbon emissions.
- 11.33. The Commission's discussion of passenger transport has an implicit bias towards urban areas, where most New Zealanders live and the biggest gains are likely to be made. Members may wish to comment on the challenges of decarbonising transport in rural areas. Our rural communities rely on motor vehicles both to access basic services and and to move product (milk, livestock, produce). Neither public transport nor electrification offers an obvious solution in the more remote parts of our region.
- 11.34. More attention might also be given to the freight sector. Due to its location, large volumes of freight moved through our region (contributing, in passing, to relatively high emissions compared to other regions). A commitment to long-term investment will be required to make rail and coastal shipping more competitive.
- 11.35. Phasing out fossil fuels is perhaps the approach most likely to reduce New Zealand's emissions in the short term. Given the age of the vehicle fleet, however, there is room for doubt about the likely speed of uptake of EVs. Moreover, a focus on new vehicles may raise affordability and equity issues. Changes to the tax framework may be necessary, both to incentivise change (e.g. fringe benefit tax, road user charges) and to deal with changing revenue streams (e.g. fuel tax). Members may wish to encourage the Commission to provide more detail on how they suggest these challenges be addressed.

Energy generation

- 11.36. The models underpinning the Commission's advice suggest a roughly five-fold increase in demand for wind generation and a ten-fold increase in solar by 2050. This will likely present implementation challenges, including consenting renewable energy assets. Depending on the shape of proposed resource management reform, Councils may bear the brunt of any public opposition to necessary but unpopular decisions.

12. CONSULTATION

- 12.1. Local Government New Zealand is drafting a submission on behalf of the sector. At the time of writing, LGNZ's submission was not available. It will include input from several councils and special interest groups; we anticipate that Members will wish to support it.
- 12.2. This advice has been informed by discussion with staff at other regional and territorial authorities.

13. TIMELINE / NEXT STEPS

- 13.1. The submission period closes on 28 March. The Commission's preference is that submissions be made via a survey on its website. We anticipate that the survey will focus on the consultation questions the Commission has identified, which are outlined at: https://haveyoursay.climatecommission.govt.nz/comms-and-engagement/future-climate-action-for-aotearoa/supporting_documents/ConsultationquestionsCCC.pdf.
- 13.2. Draft submission points (and LGNZ's contribution, when it is received) will be circulated to Members separately from this report. We recommend that final submission points be confirmed by the Chair.

- 13.3. The Commission's final advice will be released by 31 May.
- 13.4. Emissions budgets for 2022-35 are to be gazetted by the Minister by 31 December 2021, along with an emissions reduction plan for the first four years (2022-25).
- 13.5. The Commission proposes several other milestones over the next few years, including establishment of a separate appropriation for climate change (March 2022), a plan for central government's partnership with iwi/Māori and local government (December 2022), and an Equitable Transitions Strategy (December 2023).

14. SIGNIFICANCE

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

Tom Bowen
PRINCIPAL ADVISOR, STRATEGY & POLICY

ANNEXES

There are no attachments to this report.