

Environment Canterbury submission on the Climate Change Response (Zero Carbon) Amendment Bill

Context

1. Environment Canterbury thanks the Environment Committee for the opportunity to submit on the Climate Change Response (Zero Carbon) Amendment Bill.
2. This submission builds on our submission to the Ministry for the Environment on the *Our Climate Your Say: Consultation on the Zero Carbon Bill* discussion document in July 2018. In this submission we acknowledged the importance of and urgent need to address climate change for the benefit of current and future generations. This was highlighted on 16 May 2019 when Environment Canterbury became the first council in New Zealand to declare a “climate emergency”. This outlined our commitment to:
 - robustly and visibly incorporate climate change considerations into Council work programmes and decisions
 - provide strong local government leadership in the face of climate change, working with regional partners to ensure a collaborative response
 - advocate strongly for greater central government leadership and action on climate change
 - increase the visibility of our climate change work
 - lead by example in monitoring and reducing Council’s greenhouse gas emissions.
3. Climate change presents significant challenges, risks and opportunities to Canterbury. No community will be immune to the impacts of climate change, and some, including those around coastal areas, will be severely impacted. While we are particularly interested in how the Bill impacts on our statutory roles and responsibilities associated with adaptation, we are also deeply concerned about New Zealand’s rising emissions and how approaches to manage these will impact on the communities that we represent.
4. As a sovereign nation New Zealand has made a commitment under the Paris Agreement to contribute to the global effort to limit the global average temperature increase to 1.5° Celsius above pre-industrial levels. Furthermore, recent work by the Intergovernmental Panel on Climate Change (IPCC) identified global emissions reductions consistent with limiting warming to 1.5° Celsius. While the appropriateness or otherwise of specific percentage targets sits outside of our area of expertise, Environment Canterbury strongly supports legislation that reflects New Zealand’s commitment to the Paris Agreement.
5. We look forward to ongoing involvement as Parliament takes the implementation of this Bill forward. We ask that the Bill reflects the importance of engagement between central and regional government, so we can respond together to the climate challenge.

General

6. Environment Canterbury supports the overriding purpose of the Bill, and particularly the focus on providing a framework that enables development and implementation of clear and stable climate change policies. Action on reducing emissions in New Zealand has been undermined up till now by significant policy uncertainty, while action to adapt to climate change has been hindered by a lack of coordination across the country where roles and responsibilities have been unclear.
7. We welcome the Bill's strong focus on emissions reductions and adaptation. In Environment Canterbury's recent climate change emergency declaration, we committed to continuing to advocate strongly for central government leadership and action on climate change. We consider the Bill represents a major step forward in strengthening central government leadership.
8. To complement the emphasis on adaptation in the Climate Change Commission and adaptation parts of the Bill, **Environment Canterbury recommends** that adaptation be included in the overarching purpose of the Bill (section 4). Climate change is already having visible impacts and affecting the whole country. Adding adaptation to the purpose of the Bill will further acknowledge the full scale of the climate change adaptation challenge as a national problem that needs addressing now.
9. We also support the various provisions in the Bill that support an equitable pathway to an economy-wide transition. This includes from intergenerational, sector and societal perspectives. Much as the impacts of climate change are inequitable, the impacts of climate change policies also risk being inequitable. We welcome the Bill's focus on the distributional effects of climate change and climate change policy, including how these effects fall between generations.
10. We note, however, that key components of the economy are missing from these targets – international shipping and aviation emissions continue to sit outside of the Paris Agreement and New Zealand's commitment to this. Environment Canterbury urges the Government to continue working with other countries to increase action and accountability in these sectors.
11. We support the requirements in the Bill to recognise the Treaty of Waitangi and inclusion of provisions for iwi and Māori representation and consultation. We note that the requirements are more explicit in the Bill's provisions regarding the Climate Change Commission and emissions reductions than those regarding adaptation. For example, in the preparation and publication of an emissions reduction plan, the Minister must ensure that iwi and Māori have been adequately consulted on the plan. There is no similar provision for the preparation of the National Adaptation Plan. **Environment Canterbury recommends** that the same emphasis be applied to the preparation of the National Climate Change Risk Assessment and National Adaptation Plan given that adaptation measures will impact on iwi and Māori, including those around coastal areas who may be severely impacted.

Commission

12. We support the establishment, purpose and functions of the Climate Change Commission to provide ongoing independent expert advice on mitigation and adaptation and to monitor and review Government's progress. The Commission covering both adaptation and mitigation will help ensure advice is integrated and contributes to clear and stable climate change policies.
13. Decision-making on national policies and plans resting with Government is appropriate to ensure accountability through the democratic process given the potential impact of such policies. We support the inclusion of provisions to promote transparency of the Commission's advice and the Government's decision-making, including requirements for the Commission to make reports publicly available and for the Minister to respond to the Commission and provide reports to the House of Representatives within specified timeframes.
14. We also support the provisions that require the Commission to have a mix of expertise and collective understanding. In particular, having a clear understanding of roles and responsibilities and the challenges faced by local government will be critical if resulting policies are to be implemented effectively by local government. A collective understanding of science, mātauranga māori, technology and regulatory tools will also help ensure the Commission's advice covers the right mix of tools for resilience to adaptation and reducing emissions. Given the scope of the Commission's functions and its independent role, it is imperative that the Commission is adequately resourced over the long-term and through political cycles.

Adaptation

15. We support the preparation of a National Climate Change Risk Assessment (NCCRA) every six years and the provision that local government may be required to provide information to support the development of these national risk assessments. Establishment and development of a NCCRA framework provides opportunity for a more co-ordinated and consistent cross-sector approach to risk assessment going forward if the framework is developed in a way that supports this approach. Inclusion of information from regional council and territorial authority assessments of climate change risks will also help ensure that there is a coherent, consistent and co-ordinated approach.
16. Effective NCCRA development will, however require the ongoing input and contribution from local government. In particular, the Bill is unclear how local government information will be used and presented, and therefore how it will inform and align with regional assessments. We note that there is currently no requirement to consult on the NCCRA in the Bill. We also note that one of the provisions in preparing the NCCRA is that the Commission/ Minister takes into account other central government assessments in developing the NCCRA but not local or regional risk assessments.

17. **Environment Canterbury recommends** that the Commission/Minister also must consult with local government in developing the NCCRA. This will enable effective NCCRA development. This is especially important in the first couple of iterations of the NCCRA as the relationship between national risk assessments, local government and other sector risk assessments are worked through.
18. The Bill is also unclear on how the process and information flow will fit with local government planning cycles and assessments, including those under the Local Government Act (e.g. Long-Term Plans) and the Land Transport Management Act (e.g. Regional Land Transport Plan, Regional Public Transport Plan). The importance of this alignment was identified in the supporting commentary of the Bill but not specifically in the Bill itself. **Environment Canterbury recommends** this alignment be reflected in the Bill.
19. **Environment Canterbury recommends** that the Bill be more specific about the role and importance of engaging and consulting with local government to ensure the Government and Commission work closely with local government in developing NCCRAs. Closer working and a fuller consideration of risk assessments will enable a co-ordinated and consistent approach between central and regional/local government and reduce the risk of duplication.
20. **Environment Canterbury recommends** that the Bill include provisions to review the effectiveness of the first and subsequent NCCRAs to make sure they are fit-for-purpose and to identify where improvements to the process and assessments can be made. Given the tight timeframes to deliver the first NCCRA and the considerable challenge of aligning risk assessment frameworks across the sectors, it should be recognised that the risk assessments will evolve over time as information needs change and as we learn from each NCCRA iteration.
21. The national adaptation plan framework provides opportunity for improved clarity about roles and responsibilities between central, regional and local government. Central and local government working together will be instrumental for developing and implementing the new national adaptation framework given the key role that local government plays in climate change adaptation. We note that consultation is required on the national adaptation plan. Strong ongoing engagement and collaboration between central, regional and local government will be critical if New Zealand is to have effective alignment in adaptation planning and much needed clarity on roles and responsibilities.
22. We note that the National Adaptation Plan must take into account communities' ability to pay and Government has signalled that clarity on funding arrangements will be provided through the adaptation plan. Without clear direction on funding arrangements for adaptation and where and when central government will invest alongside local government, adaptation action will continue to be underfunded and risks unmanaged.
23. If the national adaptation plan is to be successful, it will need to clearly identify how adaptation actions are to be funded. While we appreciate this detail doesn't sit within the Bill, we do have concerns that increased responsibilities and expectations will be placed on local government without the appropriate funding mechanisms. The

consequences of climate change will be beyond the resources of many communities. This issue has been canvassed significantly in recent reports (e.g. the Productivity Commission's inquiry into local government funding and financing). As a matter of urgency, the Government needs to identify options for funding and financing adaptation, put funding in place and provide local government with the tools and resources required.

24. Previously a National Policy Statement (NPS) on natural hazards/resilience in land use planning has been mooted by Government. An NPS would help provide the clarity needed on roles and responsibilities in climate change adaptation, including funding. We continue to advocate for the Ministry for the Environment to prioritise national direction on natural hazard management.
25. We support the mandatory progress review and reporting to enable public scrutiny.

Emissions reduction provisions

26. Environment Canterbury supports an approach to reducing emissions that is ambitious, achievable, enduring and transparent. We consider the Bill provides a good framework for achieving this.
27. We wish to emphasise the importance that the Bill's targets(s) for both long and short-lived gases are consistent with its 1.5°C purpose. As it stands, the Bill does not reflect the scientific fact that limiting global warming to 1.5°C means the world must stay within a finite carbon budget. What is of utmost importance is not the date that net zero is achieved, but that our total emissions released between now and then are consistent with this finite 1.5°C budget.

Emissions reduction targets

28. Section 5O of the Bill legislates specific targets consistent with the IPCC that can only be revised under specified circumstances. This approach is welcomed as it is science-driven, increases long-term policy certainty and will subsequently drive investment in low-emissions technologies. We also acknowledge that, where justified, these targets can be reviewed and amended over time where significant change has occurred as outlined in section 5Q.
29. We do, however, want to highlight that a net zero approach creates a risk that the focus is on offsetting these emissions (e.g. carbon dioxide) rather than reducing them. Carbon dioxide is the main anthropogenic driver of global warming and reducing carbon dioxide emissions should be the top priority – action shouldn't be delayed. The Bill and supporting policies should ensure that the focus remains on reducing carbon emissions, with forestry offsets used as an intermediate step while the shift to a low emissions economy is accelerated. While this makes good sense for the climate, it also helps manage against some of the land-use outcomes referred to below.

30. Environment Canterbury supports a strong focus on domestic action as opposed to reductions sought from overseas (section 5W(1)). This will be necessary if we are to promote increased long-term certainty and drive domestic action and innovation from within our communities. Where offshore mitigation is used, Environment Canterbury considers it critical that offshore mitigation via cooperative approaches carries the highest levels of environmental integrity. We are aware that key principles have been discussed through the Ministerial Declaration on Carbon Markets, and we support these draft principles – that cooperative approaches must not result in an increase in global emissions, and that cooperative approaches should be consistent with progression and low emissions development. **Environment Canterbury recommends** that the Bill clearly outlines principles akin to these when defining offshore mitigation, which should sit alongside the need to avoid double counting.

Provisions for meeting emissions reduction targets

31. Ambitious targets will, by their very nature, be challenging to achieve, and from a regional council perspective the setting of emissions budgets and reduction plans will more directly impact on our statutory roles and responsibilities than the targets themselves. Two key challenges for meeting future targets will be in the agriculture and transport sector, and Environment Canterbury is well placed to contribute to policy discussions in these areas – sustainable land-use and reduced transport emissions are key priorities for us.
32. We have a particular focus on delivering better land use outcomes and know the land-use sector well. A huge part of this is improving water quality in Canterbury through Good Management Practice. This work has required a significant shift in how our communities manage land use, and any efforts to reduce biological agricultural emissions will require an equally significant shift. Gaining insight from the experiences the regional sector has gained over the past 10 years will be highly valuable as agricultural emissions are tackled, particularly if we are to ensure that policies aimed at improving water quality are linked with policies for reducing agricultural emissions. These two sets of changes must go hand in hand so that steps taken by landowners meet both outcomes, or at least don't compromise one or the other.
33. We are also conscious of the land-use changes that may arise through the nature of the targets and the policies supporting future budgets and reduction plans. An ambitious methane target alongside a net-zero (carbon) target, higher NZ ETS NZU prices, and increased demand for (largely exotic) forestry will have positive and negative impacts on land-use that need to be anticipated. As a regional council we are particularly keen that targets, budgets and reduction plans incentivise afforestation that complements the freshwater and biodiversity outcomes that we are seeking to achieve.
34. Environment Canterbury also acknowledges the valid concerns being raised within the rural sector, which appear to be three-fold – an ambitious methane target where the pathway for achieving it is not yet clear; uncertainties around future climate policies that will sit on-top of existing challenges for the sector (e.g. freshwater policies); and the impact this, alongside increased forestry, will have on rural communities and regional

economic development. With this in mind, we strongly support section 5ZD of the Bill and the requirement that emissions reduction plans include a strategy to mitigate the impacts of reducing emissions and increasing removals on various groups. We hope that these strategies take into account the cumulative pressures facing the rural sector, which go beyond climate policies, and that action is taken to help address some of the uncertainties facing the rural sector in advance of reduction plans and strategies being established.

35. We acknowledge that it is not the place of this Bill to provide for specific emission reduction policies, but rather the framework for which these are established. However the Bill does contain provisions for public consultation on the development of budgets and reduction plans. We want to reiterate the importance of engaging with the regional council sector – we will be a critical partner in assessing the merits or otherwise of policies, and particularly how these may impact on other environment objectives.
36. Through our work on improving sustainable land-use outcomes, we also know the importance of having a toolbox from which landowners are able to draw solutions from when taking action on-farm. We recognise the challenges faced by the agriculture sector, and along with legislative provisions this requires ongoing research and support where limited solutions are currently available, alongside a full assessment of the available technologies and what role they play in New Zealand.
37. Environment Canterbury questions the intent of section 5ZK, and this raises wider (and ongoing) questions of roles and responsibilities. We have previously noted that any climate change legislation should provide greater clarity on the respective roles and responsibilities of central, regional and local government for climate change. For example, under section 70A of the RMA regional councils must not have regard to the effects of a discharge into air on climate change. However, section 5ZK proposes that the 2050 target and emissions budgets are permissive considerations in decision-making, while specifying that any failure by a person or body to take the 2050 target or an emissions budget into account does not invalidate anything done by that person or body. We support LGNZ's commentary on this issue as it pertains to litigation risks.
38. We would add that if there is a desire for local and regional government to take into account 2050 targets and emissions budgets when exercising our statutory functions, this should be clarified in the legislation that guides these functions (e.g. the RMA and LGA) rather than risking conflicting statutory duties. Guidance issued by the Minister through section 5ZL is unlikely to provide the confidence or clarity needed to avoid significant judicial review risks for councils. **Environment Canterbury recommends** that this section be revisited and that the Bill better reconcile how sections 5ZK and 5ZL impact on the statutory functions of regional councils exercised through other legislation.
39. Environment Canterbury thanks the Environment Committee for the opportunity to submit on the Climate Change Response (Zero Carbon) Amendment Bill. Environment Canterbury wishes to speak to the Committee on our submission.