

9.5 CLIMATE CHANGE UPDATE REPORT

Information Only - No Decision Required

Report To:	Strategy and Policy Committee
Meeting Date:	18 August 2022
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Report Number:	RSPC22-08-7

1 Summary

1.1 This report provides:

- a quarterly update on the Tasman Climate Action Plan; and
- climate change updates in brief at the regional, national and international levels.

1.2 Staff are working on a review of the Tasman Climate Action Plan. Two workshops with Councillors were held in June and July, to start brainstorming ideas for potential inclusion in the revised plan. A third workshop is planned for early December.

2 Draft Resolution

That the Strategy and Policy Committee receives the Climate Change Update Report RSPC22-08-7.

3 Background

- 3.1 The Tasman Climate Action Plan (Action Plan) was adopted by Council on 12 September 2019 (RCN19-09-11). The Action Plan contains three focus areas and actions under four goals.
- 3.2 An internal working group comprising 12 staff from across Council meets bi-monthly to ensure the Action Plan progresses. A review of the Action Plan is now underway.
- 3.3 This report summarises highlights from the last quarter (April-June).

4 Update on progress with implementing the Tasman Climate Action Plan**Transportation**

- 4.1 The Energy Efficiency and Conversation Authority (EECA) is funding electric vehicle (EV) charging stations at St Arnaud, Kohatu, and Springs Junction. The chargers will fill key gaps in our national EV charging network and make it easier to get around the region using an electric vehicle.
- 4.2 Full Council adopted the Walking and Cycling Strategy in May. Staff are creating new pedestrian crossings on Salisbury Road, finalising improvements from the Croucher/Darcy Innovative Streets project, and working with residents around Crescent Street and Surrey Road to make improvements.
- 4.3 Staff are working towards securing additional funding from central government to implement cycling infrastructure more quickly. This includes Streets for People funding, Tourism Infrastructure funding, and Emissions Reduction Plan funding.
- 4.4 The tender process for public transport services has finished. Staff will soon advise the successful contractor to provide improved bus services from Richmond and new services to Wakefield and Motueka.
- 4.5 Transportation issues and options relating to the Tasman Environment Plan (TEP) were workshopped with Council on 12 July. The Environmental Policy team has received some clear direction to guide future planning.

Community partnerships

- 4.6 Our next Secondhand Sunday event is coming up on 14 August.
- 4.7 We received three high-quality applications for the first round of our Waste Minimisation Projects Grant, with decisions made by the Community Grants Subcommittee on 7 July 2022. Funding was allocated to Greenwaste to Zero for a composting project, Weka Peckers Recycling for a construction and demolition waste project, and Motueka Rudolf Steiner School Trust for a compost and garden project. Together these projects will provide community and business-led solutions for diverting more material from landfills, reducing emissions and allowing the reuse of resources.
- 4.8 The Treehouse Early Learning Centre in Richmond has been awarded a Waste Minimisation Grant to purchase reusable hand towels for students. This funding will significantly reduce waste from single-use paper towels previously used at the Centre.
- 4.9 Four stories of residents who used Future Fit will be featured in Newsline over the coming months to encourage residents to become more aware of their footprint. Staff are renewing our FutureFit subscription for the 2022/2023 financial year but will hold off on further

community engagement until we are clearer on the direction the revised Tasman Climate Action Plan (TCAP) will take.

Native planting

- 4.10 The winter 2022 planting season is well underway for our Jobs for Nature projects. Areas being restored include the Eves Valley and Reilly constructed wetlands, Pigeon Valley Fire Zone native remnant areas, and several locations around the Waimea Inlet (community planting events organised by Tasman Environment Trust are held every Sunday morning).
- 4.11 In Kingsland Forest behind Richmond, 10,000 natives are to be planted in the Reservoir Creek area.
- 4.12 We continue to provide landowners with advice and support on afforestation. Staff are seeing high demand from landowners on how to revert hill country to native and exotic forestry (or a mix of both). The Environmental Information team will soon recruit a new staff member responsible for expanding the capacity of the Council's nursery, increasing the supply of native plants for residents and the Council itself.
- 4.13 The Environmental Policy team is having ongoing discussions with iwi, forestry stakeholders, and the wider community on future policy and planning aspirations. This will include targeted engagement on implementation of the NPS-Freshwater Management and other TEP direction on land disturbance, earthworks and issues with sediment for water quality. Engagement on the NPS-Indigenous Biodiversity (IB) will also provide opportunities to address matters such as native plantings and restoration of biodiversity.
- 4.14 The Council recently made a submission on the exposure draft NPS-IB. Once the NPS-IB is gazetted, the Government implementation plan will provide funding opportunities for restoration of biodiversity.

Warmer Healthier Homes

- 4.15 Between July 2021 and June 2022, 116 Tasman properties were insulated as part of the Warmer Healthier Homes programme. Since the start of the programme, 697 homes have been insulated in Tasman District.

Emissions reduction plan

- 4.16 Staff are working on an internal Emissions Reduction Plan to reduce the Council's emissions. Detailed actions from this plan will be aggregated into broader actions for inclusion within the revised Tasman Climate Action Plan. We are working to identify and model a potential emissions reduction pathway for the next ten years and identify actions required to reach an appropriate target. Staff are likely to complete this plan later in 2022.

5 Regional update

Local climate risk assessment project

- 5.1 Together with Nelson City Council (NCC) staff, we are progressing plans for a joint local climate risk assessment. NCC has now employed a new staff member whose role focuses on climate adaptation and on 1 July our new 'Senior Climate Change Advisor' role was advertised. When the recruitment process concludes, this new staff member will be responsible for leading the local risk assessment project for Tasman District.
- 5.2 The project aims to provide a good overview of the climate change risks for the Tasman District presented in a consistent way and within a single report as a point of reference. The

intention is to provide a qualitative description of the District's climate risks in the natural environment, built environment, economic, governance, and human domains.

Nelson Tasman Climate Forum

- 5.3 The Nelson Tasman Climate Forum organised 20 events for their new initiative 'Climate Action Week' (4-11 June). Over 500 people participated in these events and the Forum forged many new alliances with various community groups.
- 5.4 Climate Action Week was defined by the call to action: "Learn, Connect, Act". Events included workshops, webinars, tours, Repair Café, a documentary screening, youth art expo, beach clean-up, electric vehicle and e-bike trade show, and a stall at the Saturday market.
- 5.5 The Mayor and two staff members represented Council at the online Q&A webinar about local councils' responses to climate change. Around 40 people attended the live webinar, which was later uploaded to the Forum's YouTube site. The webinar has now been viewed 450 times.
- 5.6 On 27 July, the Forum held an online, interactive webinar session about waste streams and ideas for minimising and managing them. Presenters included staff from our Council and NCC, who described the work being undertaken on the Waste Assessment that will then feed into a review and update of the joint Waste Management and Minimisation Plan (JWMMP).

Nelson City Council

- 5.7 NCC has been engaging with the Nelson community on sea-level rise and lower Maitai River flooding, following the 10-step dynamic adaptive planning pathways process recommended in the Ministry for the Environment coastal hazards guidance. The Council has run a series of 11 workshops and webinars, focusing on how climate change is likely to impact parts of Nelson, the types of adaptation options available, and what is important to the community to achieve through adaptation planning. Engagement closes on 14 August. The next step is to translate the communities' values into objectives to guide adaptation planning – this will be summarised in a report to NCC in early 2023.
- 5.8 In June, NCC agreed to the proposed structure and content for the Nelson Climate Change Strategy, and to establish a group of community representatives and technical experts to advise on the development of the Strategy. The Strategy will set the long-term vision and direction for climate action in Nelson.

6 National update

Climate Change poll

- 6.1 The [IAG-Ipsos Climate Change poll](#) has been running for the last five years and this year there is an [additional report](#) that compares our attitudes to climate change over that time. The report notes that one of the biggest shifts is the belief that the government should be most responsible for taking action on climate change. That has lifted from 25% in 2018 to 48% in 2022. When questioned about the actions taken by local councils in response to climate change, 26% of New Zealanders agreed the actions are good, while 31% felt the actions are poor.
- 6.2 The IAG-Ipsos poll found that 53% of people thought homeowners should not have the right to live in places badly affected by climate change. The poll reveals a disparity in the high number of people that note climate change is an important issue to them (78%) and the

number of people taking individual action to combat it. That number has fallen over the last two years in the IAG-Ipsos poll, dropping nine points to 50%.

- 6.3 Looking back over their [five years of data](#), IAG found overall, New Zealanders are saying that the importance of this issue is not matched by the leadership, action or progress that is needed if we are all to successfully adapt to the inevitable impacts of our changing climate.

The biggest year for clean cars

- 6.4 The Government has revealed that the Clean Car Discount Scheme has registered 57,000 light-electric and Non-Plug-in Hybrid Vehicles in its first year, a 56% increase from last year. Climate Change Minister James Shaw said the scheme is making a significant contribution towards meeting the Government's climate change targets. EVs and Plug-in Hybrids made up 20% of new passenger car sales in March/April 2022. The greatest growth has been in the brand-new passenger electric and plug-in hybrid vehicle market, where the sales market share has jumped from 3% in 2020 to 8% in 2021 and 20% over March/April 2022.
- 6.5 A wider range of used and new fuel-efficient, hybrid and electric vehicles are now eligible to receive a rebate. The expanded Clean Car Discount scheme, which came into effect on 1 April, has seen more than \$18 million paid out in Clean Car rebates and over \$14 million in fees collected in the first two months.

National Adaptation Plan (NAP)

- 6.6 Full Council retrospectively approved the Council's submission on the [draft National Adaptation Plan](#) at its meeting on 30 June 2022.
- 6.7 The NAP has recently been finalised by Government and was published on 3 August 2022. You can view it on MfE's [website](#). Information specific to local government is set out in a [factsheet](#). MfE also plans to produce a summary report of the key themes from public consultation and individual submissions.
- 6.8 The NAP sets direction on how Aotearoa New Zealand will adapt to the unavoidable impacts of climate change and address key climate change risks up to 2028. It outlines the Government's objectives to address these risks, and the strategies, policies, and proposals New Zealand will take over the next six years to adapt to priority risks from climate change. It will also ensure communities have the information and support they need to prepare for the impacts of climate change.
- 6.9 Taking action to prepare for these impacts will make our communities safer, protect our environment, and ensure our towns and cities can continue to support people's jobs and livelihoods.
- 6.10 The first NAP focuses on establishing the right foundations. It sets out what the Government will do to enable better risk-informed decisions, drive climate-resilient development in the right locations, help communities assess adaptation options (including managed retreat) and embed climate resilience into all of the Government's work.
- 6.11 Better preparing for adapting to climate change and risks from natural hazards, as well as mitigating the emissions which contribute to climate change, is a key objective for the future resource management system.

Emissions Reduction Plan (ERP)

- 6.12 The Climate Change Response Act 2002 requires the Government to prepare emissions reduction plans setting out how New Zealand will meet emissions budgets. These budgets will act as stepping-stones (or interim targets) toward our 2050 emissions reduction targets.

- 6.13 The Government released its [first ERP](#) on 16 May 2022. The ERP contains strategies, policies and actions for achieving New Zealand's first emissions budget and contributing to global efforts to limit global temperature rise to 1.5°C above pre-industrial levels. It aims to reduce emissions and outline ways to mitigate the impacts that reducing emissions will have on people, along with targeted policies for specific sectors (transport, energy and industry, building and construction, agriculture, forestry and waste). It also sets the direction for how future emissions budgets will be met.
- 6.14 Local government is listed as a key partner/stakeholder alongside 110 of the [actions for delivery](#) included in the ERP document '*Aotearoa New Zealand's first emissions reduction plan: Table of actions*'. Staff are working through the implications of this for the Tasman Climate Action Plan review and development of our internal ERP.

Climate Emergency Response Fund (CERF)

- 6.15 The CERF is a central government fund to pay for climate action, generated through the Emissions Trading Scheme (ETS). Funding from the ETS is allocated to CERF to help Aotearoa New Zealand respond to climate change. When polluters pay for the climate pollution they create, the funds are used to help respond to climate change in other ways.
- 6.16 In Budget 2022, the Government allocated \$2.9 billion across the forecast period for the CERF. This is additional to pre-commitments of \$840 million for international climate finance under the Paris Agreement, and \$25 million for the Government Investment in Decarbonising Industry Fund.
- 6.17 This first tranche of public investment on climate change mitigation establishes several key work programmes detailed in the Emissions Reduction Plan. Particularly notable investments in the Budget 2022 CERF package include a significant \$1.3 billion transport sector bundle, \$692 million for the energy sector, and \$380 million for the agriculture sector.

He Waka Eke Noa agricultural emissions pricing recommendations

- 6.18 In May 2022, [He Waka Eke Noa](#), the Primary Sector Climate Action Partnership presented to Ministers the report '[Recommendations for pricing agricultural emissions](#)'. This report outlines recommendations from the primary sector and Māori agribusiness partners (the Partners) for a farm-level pricing system as part of a broader framework to encourage emissions reductions.
- 6.19 The Partners considered a range of options for an alternative pricing system to the ETS. Following a robust policy and consultation process, the Partners recommend a farm-level split-gas levy. Its key features are:
- farms calculate their short- and long-lived gas emissions through a single centralised calculator (or through existing tools and software that are linked to the centralised calculator)
 - calculated on-farm emissions determine the levy cost rather than the use of national averages;
 - recognition of reduced emissions from on-farm efficiencies and mitigations as they become available;
 - incentives are provided for uptake of actions (practices and technologies) to reduce emissions;
 - a split-gas approach applies different levy rates to short- and long-lived gas emissions;
 - on-farm sequestration is recognised, which could offset the cost of the emissions levy;

- levy revenue is invested in research, development and extension (the Ministry of Primary Industries 'Extension Services' programme funds farmer-led catchment projects that support sustainable land use and improve economic, environmental, and farmer wellbeing outcomes), providing technical advice and information to farmers (there is also a dedicated fund for Māori landowners); and
- a System Oversight Board with expertise and representation from the primary sector, will work closely with an Independent Māori Board to provide recommendations on levy rates and prices, and set the strategy for use of levy revenue.

6.20 A [summary of the report](#) is available on He Waka Eke Noa's website.

6.21 The Government will consider the Partner's advice alongside advice from the Climate Change Commission, before making decisions in December 2022. If the Government agrees to the Partners' recommendations for pricing agricultural emissions, then the relevant legislation will need to be drafted in 2023 and plans in place by 1 January 2025.

Climate Change Commission advice on agricultural pricing

6.22 The Climate Change Commission (the Commission) is legislated to provide advice to the Government under the Climate Change Response Act (CCRA). Developing an effective system to price agricultural emissions is a key part of the Government's Emissions Reduction Plan. Following its report in May on potential assistance to farmers and growers participating in a pricing scheme, the Commission has produced a second [piece of advice](#) on agricultural emissions pricing '*Progress towards agricultural emissions pricing: Assessing how ready farmers and the agriculture sector are for emissions pricing, and advice on what work still needs to be done*'.

6.23 The report and various supplementary documents consider the He Waka Eke Noa partnership proposal provided to Ministers at the end of May 2022, which recommended the introduction of a farm-level levy system from 2025 with separate prices for short and long-lived gases. Key observations from the report include:

- agricultural emissions pricing is an important part of enabling the sector to transition to low emissions farming;
- good progress has been made toward farmers being ready for farm-level pricing, but there is still work to be done;
- a detailed farm-level pricing system outside the NZ Emissions Trading Scheme (ETS) is the best approach to pricing agricultural emissions in the long term; and
- agricultural emissions pricing is an important tool to deliver emissions reductions.

6.24 The report expresses concerns about some of the elements in the proposal He Waka Eke Noa has put forward. Recommendations include:

- Sequestration: The NZ ETS already recognises some carbon removal through vegetation. Recognising non-NZ ETS sequestration through on-farm vegetation as suggested by the He Waka Eke Noa proposal should be progressed in a separate system, which could recognise and reward a wide range of benefits, such as biodiversity and water quality.
- Fertiliser: Synthetic nitrogen fertiliser should be priced at the manufacturer and importer level in the NZ ETS as soon as practicable.

6.25 The [report](#) includes a summary of the next steps (page 78/79).

- 6.26 Ministers are required to provide a public report on an alternative pricing mechanism for agriculture by the end of 2022 that should provide clarity on what emissions pricing farmers will face.

7 International updates of interest

- 7.1 In July, Prime Minister Jacinda Arden announced that New Zealand will commit \$10m towards the conservation of Pacific crop seeds affected by climate change. The funding is the first investment from the \$1.3b 2022-2025 Climate Aid Fund. The investment will go towards researching climate-resilient crops and helping Pacific farmers get improved access to seeds and planting materials.
- 7.2 Extreme heatwaves in Europe this summer have claimed the lives of at least 1,500 people. The United Kingdom saw temperatures increase beyond 40°C for the first time in July. France, Germany, and Italy also saw temperatures above 40°C. The River Po in Italy has run dry as the country goes through the worst drought in 70 years. Studies suggest that the likelihood of temperatures this high is more than ten times greater than in the pre-industrial era. Climate change will likely increase the scale of heatwaves in future years, resulting in extensive loss of life.
- 7.3 International NGO Tearfund has found that 11 African countries will spend far more adapting to the effects of climate change than on healthcare. For example, the cost of implementing Eritrea's climate adaptation plan amounts to 22.67% of GDP, more than four times as much as it spends on healthcare. These 11 nations are among the smallest emitters per capita, emitting on average 27 times less per person than the global average, but will face the most significant impacts of climate change. This study highlights the high cost associated with climate action and the inequities in who will be affected.
- 7.4 In its decision in July, the United States Supreme Court issued a ruling statement that the US Environmental Protection Agency (EPA) cannot regulate carbon emissions from power plants. The Court argued that the US Congress must specifically delegate this power to the EPA. This move will likely reduce the US Federal Government's ability to reduce carbon emissions.
- 7.5 The Brazilian national space agency INPE has reported that deforestation of the Amazon rainforest has hit a six-year high, with 3,988km² of land cleared from January to June 2022. This figure is roughly 1000km² more than the same period last year.
- 7.6 The Scarborough Borough Council in the UK is trialing using recycled vegetable oil to run their rubbish trucks. The Council estimates the year-long trial will save 900 tonnes of CO₂ emissions.

8 Conclusion / Next Steps

- 8.1 Good progress on Tasman initiatives has been made in this quarter.
- 8.2 Staff will continue presenting quarterly climate change reports to the Strategy and Policy Committee. Staff will also present a detailed annual progress report on implementing the Tasman Climate Action Plan to the November 2022 Strategy and Policy Committee meeting.
- 8.3 Staff are working on a review of the Tasman Climate Action Plan. Two workshops with Councillors were held in June and July, to start brainstorming ideas for potential inclusion in the revised plan. A third workshop is planned for early December.