

### 9.3 CLIMATE CHANGE UPDATE

**Information Only - No Decision Required**

**Report To:** Strategy and Policy Committee  
**Meeting Date:** 8 July 2021  
**Report Author:** Julie Nguyen, Graduate Policy Advisor; Anna Gerraty, Policy Advisor  
**Report Number:** RSPC21-07-4

#### 1 Summary

- 1.1 This report provides a progress update on implementation of the Tasman Climate Action Plan (Action Plan), along with climate change updates in brief at the regional, national and international level.
- 1.2 The Resource Management Act (RMA) reforms will introduce three new pieces of legislation, all of which will have implications for climate change, particularly the Climate Change Adaptation Act. This report provides an emerging picture of how the various pieces of legislation that relate to climate change fit together.
- 1.3 The Climate Change Commission's (the Commission) first package of advice was released to the Government in June 2021. In response to this advice, the Government will set Aotearoa/New Zealand's first emissions budgets by the end of 2021, along with an Emissions Reduction Plan that will outline policies and actions to achieve these budgets.
- 1.4 Staff will continue to monitor and report on developments across the legislative landscape to ensure that Council has a good understanding of the implications for the Council and District as these become clearer. Reports will be presented to alternative meetings of the Strategy and Policy Committee, to update Council on implications and opportunities relating to climate change.

#### 2 Draft Resolution

**That the Strategy and Policy Committee receives the Climate Change Update report RSPC21-07-04.**

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**CLIMATE CHANGE UPDATE****3 Purpose of the Report**

3.1 This report provides:

- a quarterly update on the Action Plan;
- climate change updates in brief at the regional, national and international level;
- a summary of the latest climate change developments and legislative reforms at the national level; and
- a brief overview of the Climate Change Commission's final advice to the Government.

3.2 Note that this inaugural 'Climate Change Update' report includes extensive discussion on the national legislative context. Staff anticipate that future reports are likely to focus on brief updates.

**4 Background**

4.1 The Action Plan was adopted by the Council at a Full Council meeting on 12 September 2019 (RCN19-09-11). The Action Plan contains three focus areas and actions under four goals.

4.2 An internal working group, comprising of 12 staff from across Council, meet bi-monthly to ensure the Action Plan progresses.

4.3 Quarterly progress updates on implementing the Action Plan have previously been included in the Chief Executive Officer's report to Full Council. These updates will now be provided in a separate 'Climate Change Update' report to alternate Strategy and Policy Committee meetings.

4.4 Attachment 1 provides an overview of the national, regional, and local climate change context, in brief.

**5 Update on progress with implementing the Tasman Climate Action Plan**

5.1 The following table highlights progress on some of the projects contained within the Action Plan. A more detailed annual report on implementation of the Action Plan will be presented to the 11 November 2021 Strategy and Policy Committee meeting.

Goal	Target	Action	Status	Progress Update
1. Council contributes to New Zealand's efforts to reduce Green House Gas (GHG) emissions (incl. net carbon emissions).	1(a) Council's emissions* of methane reduce by 10% below 2017 levels by 2030 and 47% by 2050 or earlier. Council's net emissions* of all other greenhouse gases reduce to zero by 2050.	(i) Undertake a baseline inventory by end of 2020; and then annual monitoring of Council's greenhouse gas emissions.	Delayed expected completion 30 June 2022	Staff engaged Toitū Envirocare to run an 'Emissions scope and boundary' workshop with staff on 3 June 2021. This enabled staff to identify potential Scope 1, 2 and 3 emissions <sup>25</sup> that Council produces and to start considering which sources to include in the Council's baseline inventory of greenhouse gas emissions. Toitū has prepared a draft report, outlining findings and recommendations from the workshop. The next step is to engage a provider to guide the work required to measure emissions for the baseline year 2020/2021 and have the inventory audited.
1. Council contributes to New Zealand's efforts to reduce GHG emissions (incl. net carbon emissions).	1(a) Council's emissions* of methane reduce by 10% below 2017 levels by 2030 and 47% by 2050 or earlier. Council's net emissions* of all other greenhouse gases reduce to zero by 2050.	(viii) Investigate energy efficient design and renewable energy options for Council buildings and activities.	On track	Staff applied to the Lotteries Commission and secured \$250,000 of funding to install a solar photovoltaic system at the new Motueka Library.

<sup>25</sup> The Greenhouse Gas Protocol is an international standard to measure and manage greenhouse gas emissions. The Protocol categorises emissions sources to avoid double counting. Scope 1 emissions are categorised as direct emissions (e.g. fuel). Scope 2 emissions are categorised as indirect emissions (e.g. purchased energy). Scope 3 emissions are categorized as other indirect emissions (e.g. staff commute).

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<p>1. Council contributes to New Zealand's efforts to reduce GHG emissions (incl. net carbon emissions).</p>	<p>1(b) Council decisions for planning and infrastructure design supports private individuals and businesses to reduce their emissions by 80% by 2050.</p>	<p>(i) Investigate options to encourage low carbon footprint buildings, highly energy-efficient buildings, renewable energy use in buildings, reductions in refrigeration emissions from air conditioning and disposal of refrigerants, enhanced urban/subdivision design.</p>	<p><u>On track</u></p>	<p>Staff are working with communities to trial 'green ways' in subdivisions around the District. The 'Streets for People' trial in D'Arcy/Croucher Streets (funded by Waka Kotahi) is complete and the 'Neighbourhood Greenways' trial (funded by Council), which covers over 10 small streets in Richmond around Middlebank Drive and Blair Terrace, is about to start this month. The aim of these projects is to improve safety for pedestrians and cyclists by forcing vehicles to drive slower in residential areas through physical changes to the streets. This has the added benefit of each vehicle producing less emissions. If the trial is successful, staff will look to make more permanent changes, e.g. by planting trees instead of planter boxes.</p> <p>The Ministry of Business, Innovation, &amp; Employment (MBIE) is reviewing how Aotearoa can reduce emissions from buildings during construction and operation. Council's Building Assurance Manager has been involved in MBIE's Code Advisory Panel (CAP), helping to shape advice on the New Zealand Building Code. The CAP will be taking feedback received from the public recently on MBIE's climate change emissions mitigation frameworks into account as it continues to provide advice. Agenda and minutes of these CAP meetings</p>
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Goal	Target	Action	Status	Progress Update
				is available for anyone to download and read here: <a href="https://www.building.govt.nz/building-code-compliance/code-advisory-panel/">https://www.building.govt.nz/building-code-compliance/code-advisory-panel/</a>
1. Council contributes to New Zealand's efforts to reduce GHG emissions (incl. net carbon emissions).	1(b) Council decisions for planning and infrastructure design supports private individuals and businesses to reduce their emissions by 80% by 2050.	(iii) Investigate options for supporting the local Warmer Homes programme.	On track	Council resolved in May 2021 to provide Warmer Healthier Homes (WHH) with an additional <u>third party</u> funding of \$60,000 from the 2020/2021 climate change budget, to insulate homes in Tasman District over a three year period. Since the Warmer Healthier Homes Trust made its submission, the Government has reviewed the Energy Efficiency Conservation Authority (EECA) funding for this programme and reduced it slightly, from 90% to 80%.
1. Council contributes to New Zealand's efforts to reduce GHG emissions (incl. net carbon emissions).	1(c) Year on year, use of alternative transport modes increases, whereas use of single-occupancy internal combustion-engine vehicle on roads in Tasman District declines.	(i) In conjunction with the New Zealand Transport Agency (NZTA) and Nelson City Council (NCC), investigate options for increasing use of public transport (where this will provide the best outcome) and prepare action plan to increase public transport use.	In progress	As part of the LTP process, and the consultation for the Regional Public Transport Plan, both Tasman District and Nelson City Councils proposed to bring the public transport plans forward from 2026 to 2023. Council proposes to have more frequent buses (every 30 minutes), and extended bus routes from Motueka/Māpua and Brightwater/Wakefield to Richmond/Nelson.  Council also recently approved \$20,000 to promote use of the <u>NBus</u> . Staff will start planning and implementing promotion from July.

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Goal	Target	Action	Status	Progress Update
4. Council shows clear leadership on climate change issues.	4(a) Council's elected representatives demonstrate regional leadership.	(i) Promotion of innovations, <u>changes</u> and initiatives that individuals and businesses can take to reduce emissions, benefit from climate changes and improve resilience.	On track	<u>FutureFit</u> is an online carbon footprint tool that is free for anyone to use. It encourages people to reduce their carbon emissions in an accessible and fun way. There has been some uptake of <u>FutureFit</u> by staff and the public. We have been updating social media and our website with progress posters, see: <a href="https://www.tasman.govt.nz/my-region/climate-change/futurefit/">https://www.tasman.govt.nz/my-region/climate-change/futurefit/</a> . There will be more <u>FutureFit</u> promotions in the coming months.

**6 Regional update**

6.1 As part of their Long Term Plan (LTP) 2021-2031 deliberations, Nelson City Council (NCC) has included the following in their budgets:

- Nelson Tasman Climate Forum - \$100,000 per year for three years (total \$300,000, includes \$50,000 allocated for community climate change projects in those years);
- Businesses for Climate Action - \$65,000 in Years 1 and 2, and \$45,000 in Year 3 (total \$175,000 across three years);
- Tasman Environment Trust's Blue Carbon research project - \$10,000 in Years 1-3 (total \$30,000); and
- Community Compost - \$32,000 in Year 1.

6.2 Marlborough District Council has:

- completed their first emissions inventory, with a report to be presented this month;
- completed Light Detection and Ranging mapping of their region, and plans to start conversations with its coastal communities on options in relation to sea level rise predictions, using the Dynamic Adaptive Policy Pathways approach;
- commissioned a report, detailing the projected impacts on climate change on the region;
- adopted a Waste Management and Minimisation Plan in May 2021; and
- committed further funding of \$30,000 per year for three years in their LTP 2021-2031 to the Warmer Healthier Homes programme.

**Nelson-Tasman Climate Forum**

6.3 The Nelson-Tasman Climate Forum (the Forum) released its 'Climate Action Book – A Climate Action Plan for Nelson Tasman' in February 2021. The 24-page document contains a summary of actions that the community, businesses, and governing bodies in the region could take to reduce greenhouse gas emissions. The Forum Chair presented the Climate Action Book to the May 2021 Strategy and Policy Committee meeting.

6.4 Councillor Walker regularly attends full Forum hui and Forum Leadership hui on behalf of Council. A staff member also attends monthly Forum Leadership hui. Councillor Wensley recently stepped down as a Council representative on the Forum, with Councillor Ogilvie taking up this role.

6.5 Mayor King spoke at the most recent Forum hui in May. Several new appointments were made to the Leadership group, including a new Co-Chair. The other Co-Chair position, to be selected by tangata whenua iwi, will remain open until iwi make a selection.

6.6 Government funding to implement 'Te Taihu Intergenerational Strategy' (the Strategy) was withdrawn, but Wakatū Inc. continue to work to implement the Strategy. Staff from Wakatū, Tasman District and Nelson City Councils recently discussed future steps for implementing the climate change section of the Strategy and linkages with the work of the

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Climate Forum. Wakatū is involved with the work of the Indigenous Peoples Major Group of the upcoming United Nations Climate Change Conference (COP26).

### 7 National update in brief

#### 7.1 Recent actions taken by central government:

- Ministry for the Environment (MfE) released its NZ Greenhouse Gas Inventory 1990-2019 (see <https://environment.govt.nz/publications/new-zealands-greenhouse-gas-inventory-1990-2019/>), showing that both gross and net emissions for Aotearoa increased by 2% in 2018/2019. StatsNZ, who collate the data that forms this national inventory, recently sent a survey to all councils, requesting feedback on how data collection and presentation at a regional level can be improved. Staff worked with NCC and the Nelson Tasman Climate Forum to provide a joint response to this survey;
- a ban on new low and medium temperature coal-fire boilers starts from December 2021. The Government is also working with the private sector to transition away from fossil fuels;
- funds have been made available for the education sector, hospitals and other government organisations to replace coal and fossil fuel boilers;
- submissions closed in May on new legislation requiring the financial sector (around 200 entities) to disclose the impacts of climate change and explain how they will manage climate-related risks and opportunities;
- funds committed for electric vehicles (EVs) and charging infrastructure for the state sector; and
- submissions closed in June on options to meet the recommendations proposed by the Ministry of Transport to move toward a zero carbon transport system by 2050.

7.2 MfE held a webinar with climate staff from councils on 28 June, in preparation for workshops they're running in June and July on the Emissions Reduction Plan and National Adaptation Plan. The webinar contained a series of slides that provide a succinct overview of the Zero Carbon framework and upcoming climate-related workstreams that MfE are engaging with councils on over the next year. These slides are included as Attachment 2 to this report.

### 8 International updates of interest

8.1 The International Energy Agency recently released the first [energy road map](#) of what it would take for the World to get carbon dioxide emissions to net zero by 2050. The report states that all the technologies and policies required to meet net zero by 2050 already exist and are already proven.



**CLIMATE CHANGE UPDATE****Climate change litigation risk for corporate entities**

- 8.2 A Dutch Court has recently ruled that Royal Dutch Shell (Shell), due to its global reach, is partially responsible for global climate change. The Court ordered Shell to reduce the carbon emissions that it is responsible for, including in its value chain.
- 8.3 This is a significant ruling. Up until now, for a range of reasons, large emitters have not been found liable in climate change cases. It is perhaps a signal for other "carbon majors" that legal links can be drawn between their actions and the effects of climate change. Simpson Grierson have written a short summary of what has happened, the significance of the decision, and how it relates to Aotearoa. Further details about this case are provided in Attachment 3 to this report.

**9 Climate Change Policy Context: Overview of Legislative Changes<sup>26</sup>****Legislative Framework**

- 9.1 Aotearoa's response to climate change at a national level is framed by central government's Climate Change Response (Zero Carbon) Amendment Act 2019, which covers both mitigation (reducing greenhouse gas emissions) and adaptation (building resilience and managing the impacts of climate change). Under this Act, the Government will establish a system of emissions budgets, reduction plans and a series of national climate change risk assessments and national adaptation plans.
- 9.2 The Resource Management Amendment Act came into force on 30 June 2020, with the climate change provisions applying from 31 December 2021. These will require councils to have regard to emissions reduction plans and national adaptation plans when making and amending regional policy statements, regional plans and district plans. The provisions also enable councils to consider greenhouse gas emissions when consenting discharges to air under the RMA. The RMA reforms, announced in February 2021, will repeal the current RMA 1991 and replace it with three new pieces of legislation, all of which will have implications for climate change, particularly the Climate Change Adaptation Act.

**Alignment with Council's Strategic Priorities and Community Outcomes**

- 9.3 Responding to climate change was identified as one of the Council's big choices in Tasman's 10-Year Plan 2021-2031. The context for Council considering climate change continues to change, with the Climate Change Commission's (the Commission) advice to the Government, forthcoming emissions budgets, RMA reform, Three Waters reform, and Future of Local Government review, all impacting on legislative landscape in which Council operates, which will be felt across Council's Community Outcomes.
- 9.4 Climate change has wide ranging effects on all aspects of our society. The Commission's advice and the forthcoming legislative reforms will similarly have some effects. Whilst the overall impacts on the four aspects of community well-being are expected to be positive due to these reforms, the substantial shifts needed to transition to a low-emissions society

<sup>26</sup> Sections 9 and 10 of this report have been adapted from a report presented to the Bay of Plenty Regional Council's Strategy and Policy Committee on 4 May 2021.

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will involve trade-offs that may negatively impact community well-being of particular sectors at certain points in time.

### Central Government Direction on NZ's Climate Change Response

- 9.5 Climate change is an issue which has implications and linkages across a wide and diverse range of sectors and policies. Until recently, central government direction in this area has been lacking. The Climate Change Response Act originally came into force in 2002, creating a legal framework to enable Aotearoa to meet its international obligations, but it did not include effective climate change policies.
- 9.6 The introduction of the Climate Change Response (Zero Carbon) Amendment Act in 2019 included the introduction of the national emissions reductions targets, the establishment of 'He Pou a Rangi: the Climate Change Commission' (the Commission), and the requirement for government to develop and implement policies for climate change adaptation (building resilience and managing the impacts of climate change) and mitigation (reducing greenhouse gas emissions).
- 9.7 The amended Climate Change Response Act provides Aotearoa with a framework to develop climate change policies towards meeting its international obligations, targets and emissions budgets by 2050, to contribute to the global effort to limit the global average temperature increase to 1.5°C above pre-industrial levels.
- 9.8 Policy direction in this space is still evolving. The Commission's final advice on emissions budgets is a critical step towards establishing a suite of policies that are focused on delivering the required emissions reductions. In parallel, the RMA reforms should provide greater clarity around the role of local government in climate change adaptation.

### Central Government Agency Responsibilities

- 9.9 The lead government agency for climate change is the Ministry for the Environment (MfE). This Ministry provides advice and support to the Minister for Climate Change, who has responsibility for developing central government's climate change policy. Other Ministries also work on climate change related issues, such as Ministry for Primary Industries (MPI) (through Te Uru Rākau) with responsibility for the One Billion Trees Programme, and MBIE leading on the Just Transitions Unit and the Building for Climate Change programme.

### Climate Change Commission's Perspective

- 9.10 The Commission is tasked with providing independent expert advice to the Government, as well as monitoring and reviewing the Government's progress towards its emission reduction and adaptation plans.
- 9.11 The Commission released its first package of draft advice to central government for public consultation in February 2021. The final advice, 'Ināia tonu nei: a low emissions future for Aotearoa', was presented to the Government on 9 June 2021. The advice will inform the first three emissions budgets (2022-2025, 2026-2030 and 2031-2035) which will be set by the Government at the end of 2021 for its first emissions reduction plan 2022-2025.
- 9.12 In its final advice, the Commission highlights the challenge presented by the siloed "government machinery of Aotearoa", with policy levers for different sectors currently

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sitting with a range of other agencies, and recommends that there be “coordinated action across government departments and agencies” and “clear lines of accountability for delivering on climate outcomes” (Recommendation 9 in the final advice).

- 9.13 The Commission acknowledges that a well-supported local government is critical to Aotearoa meeting its emissions reduction targets. Central government should enable local government “through legislation, removing regulatory barriers, and providing increased and targeted funding.” The Commission also recommends central and local government work collaboratively with iwi, businesses, industries, NGOs, and the community to co-design and enable a low-emissions society, with accountability milestones and measures that are tailored to the District.
- 9.14 Whilst these recommendations are provided in the context of emissions reductions, the same issues apply within the adaptation space. The Commission has identified a need for greater clarity on roles and responsibilities and policy alignment in both mitigation and adaptation areas, which is also being addressed through the RMA reform.

**Resource Management Act Reforms**

- 9.15 Last year a Government-appointed Independent Panel released a comprehensive review of the RMA (known as ‘the Randerson Report’). In relation to climate change, the review found that integration between the Climate Change Response Act and the RMA was lacking. The Panel suggested managed retreat, funded in an equitable manner of burden sharing in the form of an adaptation fund for central and local government to address climate change adaptation and reduction of natural hazard risks. It also recommended there be more flexibility in changing land uses, and options for compensation.
- 9.16 Following on from the review, central government announced RMA reforms in February 2021. This will repeal and replace the RMA with three new laws; the Natural and Built Environments Act (NBA), Strategic Planning Act (SPA), and the Climate Change Adaptation Act. An exposure draft of the NBA is expected this month. There are no dates for any drafts of the other two pieces of proposed legislation as yet.
- 9.17 The objectives of the RMA reform is to provide Aotearoa with a more strategic and systemic approach to protecting and restoring the environment; development within natural environmental limits; greater recognition of Te Tiriti of Waitangi/Treaty of Waitangi and te ao Māori; preparing, adapting, and mitigating climate change risks and natural hazards; and reducing complexity whilst retaining local democratic input.

**Legislative Overview**

- 9.18 The current state of flux in the climate change policy space is illustrated in Table 1 below, along with the linkages across key sectors for Council. This highlights the current state of uncertainty (hopefully to be resolved over the next few years as legislation is finalised) and the interdependencies between different pieces of legislation.
- 9.19 We can expect to see greater clarity around the specific roles for local government in both mitigation and adaptation as central government policies are developed. However, the signals through the Climate Change Commission’s advice and the RMA reform process

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mean that local government can have some confidence in undertaking initiatives now, that are in line with this overall direction.

9.20 At this stage, the implications on the roles and responsibilities of local government are expected to be:

- greenhouse gas emissions will be a RMA policy/consenting consideration for local government in terms of managing discharges (effective from 31 December 2020). MfE is currently undertaking consultation on a National Environmental Standard (NES) or National Policy Statement (NPS) to help councils' decision-making on greenhouse gas discharges to air. Earlier this year MfE also consulted on proposals to phase out fossil fuels in process heat;
- local government must 'have regard to' emissions reduction plans and national adaptation plans when preparing RMA plans and policy statements (effective from 31 December 2021);
- local government must undertake local risk assessments and adaptation plans within specific timeframes<sup>27</sup>. MfE is currently preparing guidance for local government risk assessments, which is due to be released in July or August 2021. Otago Regional Council has recently completed their first risk assessment at an estimated cost of \$100,000, requiring one FTE equivalent to work on this project for a full year;
- explicit consideration of climate change policies in the new generation "RMA" plans and policy documents; and
- consideration of emissions reduction plans and budgets within transport planning documents.

9.21 Staff are involved in a few working and interest groups at a national level. Staff will continue to monitor and report on developments across the legislative landscape, to ensure that Council has a good understanding of the implications for the Council and District as these become clearer.

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<sup>27</sup> Note that in December 2020, the Council published a Coastal Risk Assessment as part of the Coastal Management Project work programme (see: [Coastal Management – responding to climate change | Tasman District Council](#))

**Table 1 – Expected timeline of climate change policy and legislation changes**

YEAR	CLIMATE CHANGE RESPONSE ACT	RMA REFORMS	TRANSPORT & URBAN FORM	OTHER
2020	Emissions Trading Reform Amendment Act 2020 into force  First National Climate Change Risk Assessment released		MfE National Policy Statement on Urban Development takes effect	MPI He Waka Eke Noa 5-year joint action plan agreed – advancing work on climate change action in the primary sector  Department of Conservation adopts 2 <sup>nd</sup> Climate Change Adaptation Plan  National Policy Statement on Freshwater Management takes effect  MBIE Building for Climate Change consultation
2021	Feb: The Commission's draft advice on emissions budgets for consultation  June: The Commission's final advice to Government released  Oct: Public consultation on draft National Adaptation Plan (NAP)  Dec: Government adopts first three emissions budgets (2022-2035)	Feb: RMA reform timetable announced  July: Exposure draft of NBA Bill. SPA & Climate Change Adaptation Act developed in parallel  Dec: RMA reform Bills introduced to Parliament  Dec: RMA Amendment Act climate change provisions in force	June: Regional Land Transport Plan 2021-2031 adopted  July: Transport Government Policy Statement (GPS) 2021 takes effect	April: Future of Local Government review announced  June: Tasman's 10-Year Plan 2021-2031 adopted  July-Sept: Consultation on Review of New Zealand Waste Strategy and Waste Minimisation Act expected  Sept: Interim report on Future of Local Government  National Policy Statement on Highly Productive Land expected to take effect.  Dec: MfE Minister's decision on proposed NPS for Indigenous Biodiversity.

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2022	<p>Aug: Government releases first National Adaptation Plan (NAP)</p> <p>Dec: The Commission's emissions budget annual report</p>	<p>Natural and Built Environments, Strategic Planning, Climate Change Adaptation Acts come into force</p>		<p>30 Sept: Public consultation on draft report on Future of Local Government</p> <p>The Commission reviews He Waka Eke Noa progress</p>
2023	<p>Dec: The Commission's emissions budget annual report</p>		<p>Transport Government Policy Statement 2024 released</p>	<p>30 April: Final Future of Local Government report presented to Minister and LGNZ</p>
2024	<p>The Commission's advice on including international shipping and aviation emissions in 2050 target</p> <p>Aug: The Commission's first progress report on NAP</p> <p>Dec: The Commission's emissions budget annual report</p>		<p>June: Regional Land Transport Plan 2024-2034 adopted</p>	<p>June: Tasman's LTP 2024-2034 adopted</p>
2025	<p>Dec: The Commission's emissions budget annual report</p>			<p>He Waka Eke Noa implementing a framework and environment plans to reduce agricultural greenhouse gas emissions.</p>
2026	<p>The Commission releases 2<sup>nd</sup> National Climate Change Risk Assessment</p> <p>Dec: The Commission emissions budget annual report</p>			

## **10 Implications of the Climate Change Commission's Advice**

- 10.1 As stated above, the Commission is tasked with providing independent expert advice to the Government, as well as monitoring and reviewing the Government's progress towards its emission reduction and adaptation plans.
- 10.2 The Commission's first package of advice is focused on the steps Aotearoa must take to reduce greenhouse gas emissions, which includes suggestions for high level policy direction. In response, the Government will set the first of three emissions budgets by the end of 2021, and produce the first Emissions Reduction Plan, which will describe how Aotearoa will deliver on the emissions budgets and make progress towards meeting the net-zero carbon 2050 target.
- 10.3 Council prepared a submission on the Commission's draft advice. As part of the submissions process, staff have considered the possible implications of the draft advice for Council. Staff will revisit specific implications in detail at the end of the year, once there is certainty around the final emissions budgets set by the Government and associated policies that the Government decides on.
- 10.4 Council activities impacted by the advice include: transportation; environmental information and management; environmental policy; waste management and minimisation; reserves and facilities; and council enterprises (forestry). The industrial, agricultural and forestry sectors are also impacted at the District-wide level.
- 10.5 The Commission's advice does not clearly compare relative emissions impacts on each point of the recommendations, so it is not possible to assess the level of reductions delivered by any one of their recommendations.

### **Government consultation opportunities**

- 10.6 Staff prepared a Council submission on the Climate Change Commission's draft advice to the Government earlier this year. Since then, a number of other central government consultations have and continue to take place, including the New Zealand Infrastructure Commission's 'Infrastructure Strategy' and the Ministry of Transport's 'Public Transport Operating Model' and 'Transport Emissions: Pathways to Net Zero by 2050'. While staff have drafted Council submissions on the latter three, there was insufficient time to apply a climate lens to these.

## **11 Conclusion**

- 11.1 Staff will continue to monitor and report on developments across the legislative landscape, to ensure that Council has a good understanding of the implications for the Council and District as these become clearer. Reports will be presented to alternative meetings of the Strategy and Policy Committee, to update Council on implications and opportunities relating to climate change.

**12 Next steps**

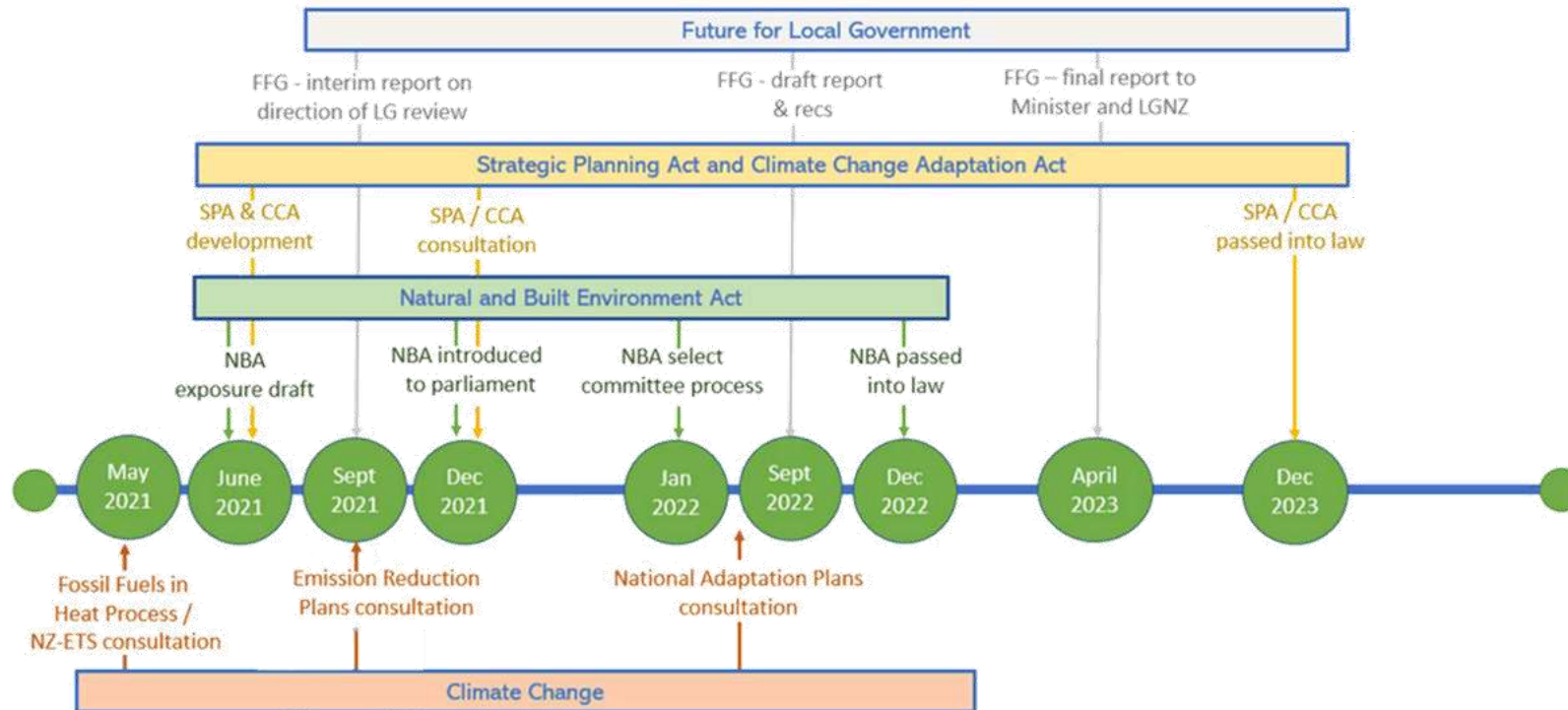
- 12.1 Work on implementing the Tasman Climate Action Plan will continue, and staff will continue to report on progress quarterly through the Strategy and Policy Committee.
- 12.2 Staff will present a detailed annual report on the Action Plan at the 30 November 2021 Strategy and Policy Committee meeting.
- 12.3 The Action Plan is designed to be a living document and is scheduled to be reviewed prior to adoption of the LTP 2024-2034. Staff will begin the Plan review later this year.

**Attachments**

1. <a href="#">↓</a>	Overview of national, regional and local climate change context and legislative timeline	177
2. <a href="#">↓</a>	Slides from MfE webinar on the Zero Carbon Framework	179
3. <a href="#">↓</a>	Shell Decision	191



	<b>Agencies</b>	<b>Legislation</b>	<b>Planning Instruments/Strategies</b>
<b>National</b>	Climate Change Commission Minister for Climate Change Ministry for the Environment	Local Government Act Treaty of Waitangi Climate Change Response Act Resource Management Amendment Act Resource Management Reforms: - Climate Change Adaptation Act - Natural and Built Environments Act - Strategic Planning Act	Climate Change Commission Advice National Environment Standards National Policy Statements
<b>Tasman</b>	Tasman District Council		Tasman Environment Plan Tasman Climate Action Plan
<b>Regional</b>	Tasman District and Nelson City Council		Future Development Strategy and Intensification Action Plan Te Tau Ihu Regional Land Transport Plan Nelson-Tasman joint Regional Public Transport Plan
	Nelson-Tasman Climate Forum		Climate Action Book
	Wakatū Inc		Te Taihu Intergenerational Strategy



## MfE webinar on the Zero Carbon Framework – 28 June 2021

# Today's session



**Welcome**

**The Zero Carbon framework**

**Why we are here**

**Reducing emissions (mitigation)**

- Emissions budgets
- Emissions reduction plan
- New Zealand's Nationally Determined Contribution, 2021-2030

**Managing climate risks and impacts (adaptation)**

- National Climate Change Risk Assessment
- National Adaptation Plan
- Climate Adaptation Act
- Adaptation Preparedness results

**Pātai/Question time**

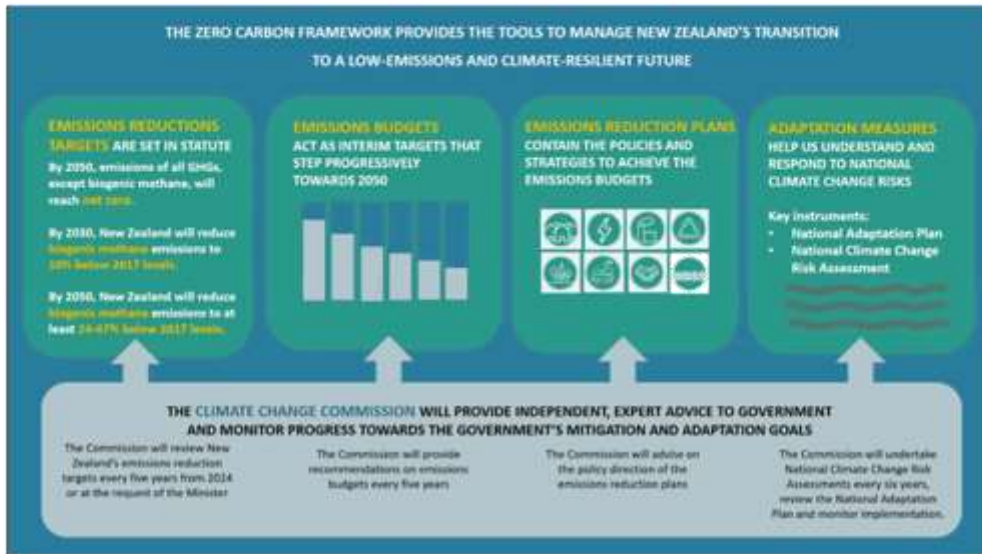
**Closing**

### Schedule of engagement



Event	Type	Date and time
ERP – how can government and local government work together to enable outcomes and successfully reduce emissions	Workshop	Today, 2pm-4pm
ERP and NAP overview (same content as today)	Webinar	Thursday 8 July, 10am-11am
NAP – Actions needed to address risks	Workshop	Thursday 15 July, 10am-12pm
NAP – Actions needed to address risks	Workshop	Thursday 22 July, 10am-12pm

\* If you have any further pātai or require additional information, please contact [adaptation@mfe.govt.nz](mailto:adaptation@mfe.govt.nz)



## The Climate Change Commission has now provided its final advice



### What did this include?

- The first three emissions budgets (2022-2025, 2026-2030, 2031-2035)
- The policy direction of the emissions reduction plan (2022-2025)
- The compatibility of New Zealand's NDC with global efforts to limit temperature rise to 1.5°C above pre-industrial levels
- The eventual reductions that may be required in biogenic methane



## What did the Commission say about emissions budgets?



Recommendation 1 - Emissions budget levels				
We recommend the Government set and meet the emissions budgets as outlined in the table below. These emissions budgets are expressed using GWP <sub>100</sub> values from the IPCC's Fifth Assessment Report (AR5) for consistency with international obligations relating to inventory reporting.				
	2019	Emissions budget 1 (2022 - 2025)	Emissions budget 2 (2026 - 2030)	Emissions budget 3 (2031 - 2035)
All gases, net (AR5)		290 MtCO <sub>2e</sub>	312 MtCO <sub>2e</sub>	253 MtCO <sub>2e</sub>
Annual average	78.0 MtCO <sub>2e</sub>	72.4 MtCO <sub>2e</sub> /yr	62.4 MtCO <sub>2e</sub> /yr	50.6 MtCO <sub>2e</sub> /yr

Note: The Commission has not made substantive changes to its proposed emissions budgets. While the headline numbers are higher than those in the draft advice, this is due to the shift in baseline numbers and modelling assumptions. There is no material change in ambition or the amount of abatement required.

## What did the Commission say about emissions budgets?



### Key messages –

- There are multiple ways of meeting the Commission's proposed emissions budgets.
- Gross Domestic Product (GDP) impacts will be lower if New Zealand acts now.
- The Government should seek cross-party support for the emissions budgets.



## Next steps for emissions budgets

The Commission's role is to provide independent expert advice on climate change matters, including emissions budgets.

**The Government remains the decision maker.**

Before taking decisions on emissions budgets the Minister of Climate Change must meet the statutory requirements.

**The first three emissions budgets must be in place by 31 December 2021.**

## What did the Commission say about the direction of the emissions reduction plan?



### The Commission's advice included –

- Key sector recommendations
- Advice on Te Tiriti and Māori partnership
- Recommendations in a number of cross-cutting areas
- Advice on a fair and equitable transition.



## Local government specific recommendations



### Recommendation 8 – Aligning central and local government efforts

Aligning policy and investments to enable local government to make effective decisions for climate change mitigation and adaptation.

### Recommendation 12 – Make investments net-zero compatible

Ensuring policy decisions and investments made now support Aotearoa moving towards a thriving, climate-resilient and low-emissions society.

### Recommendation 16 – Enable emissions reductions through changes to urban form, function and development

Enabling emissions reductions through changes to urban form, function and development.

### Recommendation 28 – A fair, inclusive and equitable transition

Develop an Equitable Transitions Strategy that aims to deliver a well-signaled and inclusive transition, so it maximises opportunities, and minimises disruption and inequities.

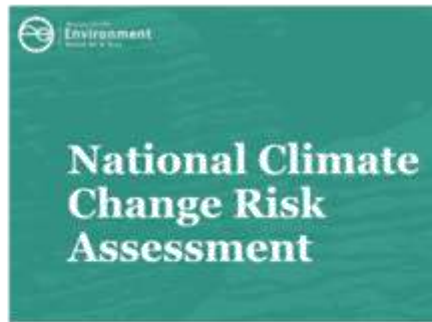
## Next steps for the emissions reduction plan

- **The Commission's role is to provide independent expert advice on climate change matters, including emissions budgets.**
- **The Government remains the decision maker.**
- **In preparing the emissions reduction plan, the Minister of Climate Change must:**
  - consider the advice received from the Climate Change Commission for meeting emissions budgets
  - ensure that consultation has been adequate, including with sector representatives, affected communities, and iwi and Māori and, if not, undertake further consultation
- **Consultation on the emissions reduction plan is planned for August – September 2021 (to be confirmed).**
- **The first emissions reduction plan must be in place by 31 December 2021.**

## New Zealand's Nationally Determined Contribution 2021-2030

The Prime Minister and the Minister of Climate Change have indicated that the ambition of New Zealand's NDC will be revised this year, following receipt of the Commission's final advice.

The process for amending the ambition of New Zealand's NDC is not provided under the Climate Change Response Act 2002.



**What risks will the National Adaptation Plan need to address?**  
**Summary of the risks in the National Climate Change Risk Assessment 2020**

Exposure	Vulnerability	Consequence	Risk	Consequence
N1 Risks to coastal ecosystems.	N1 Risks to social cohesion and community wellbeing from displacement of individuals, families and communities ★	E1 Risks to governments from economic costs.	E1 Risk to potable water supplies (availability and quality) ★	E1 Risk of maladaptation across all domains due to poor tools.
N2 Risks to indigenous ecosystems from invasive species.	N2 Risks of exacerbating existing inequities and creating new and additional inequities ★	E2 Risks to the financial system from volatility.	E2 Risks to buildings due to sea level rise ★	E2 Risk that impacts will be exacerbated due to institutional arrangements.
N3 Risks to marine ecosystems.	N3 Risks to physical health.	E3 Risks to land-based primary sector productivity and output.	E3 Risks to health and contaminated sites.	E3 Risks to governments and businesses from litigation.
N4 Risks to wetland ecosystems.	N4 Risks of conflict, disruption and loss of trust in government ★	E4 Risks to tourism.	E4 Risk to wastewater and stormwater systems (and levels of service) due to extreme weather events and ongoing sea level rise ★	E4 Risk of a breach of Treaty obligations.
N5 Risks to migratory and/or coastal and near-beach birds.	N5 Risks to Māori social, cultural, spiritual and economic wellbeing from loss and degradation of lands and waters, as well as cultural assets such as whānau +	E5 Risks to fisheries.	E5 Risks to ports and associated infrastructure.	E5 Risk of delayed adaptation and maladaptation.
N6 Risks to lake ecosystems.	N6 Risks to Māori social, cultural, spiritual and economic wellbeing from loss of species and biodiversity +	E6 Risks to the security of assets.	E6 Risks to local transport networks due to changes in temperature, extreme weather events and ongoing sea level rise ★	E6 Risk to the ability of the emergency management system to respond ★
N7 Risks to terrestrial, freshwater and marine ecosystems.	N7 Risks to mental health, identity, autonomy and sense of belonging and wellbeing from trauma ★	E7 Risks to businesses and public due to supply chain disruption.	E7 Risk to airports.	E7 Risk that effective climate change adaptation policy will not be implemented and sustained.
N8 Risks to organic ecosystem productivity and functioning.	N8 Risks to Māori and European cultural heritage sites +		E8 Risks to electricity infrastructure.	E8 Risk to the ability of domestic institutions to follow due diligence decision-making processes under pressure ★
N9 Risks to sub-alpine ecosystems.				
N10 Risks to carboniferous, hard-shelled species.				
N11 Risks to indigenous forest ecosystems.				
N12 Risks to species that are dependent on New Zealand's offshore islands.				

**Key:**  
 ★ The risk has disproportionate impacts on Māori  
 + The risk is of particular significance to Māori  
 (shown in yellow)

43 priority risks, yellow = 10 most significant risks





The 2019 Zero Carbon Amendment added adaptation into the purpose of the Climate Change Response Act. It also set up a framework to ensure there is a regular national risk assessment every six years, to identify which risks are most important. MfE produced the first risk assessment, but the CCC will produce them in future. The amendment also added the requirement to produce national adaptation plans.

## National Adaptation Plan



The National Adaptation Plan is an all-of-government response to the risks identified in the National Climate Change Risk Assessment.

The Plan will set out the government's adaptation work programme for the next 6 years.

### What does it need to include?

- **Objectives** for adapting to the effects of climate change
- **Strategies, policies and proposals** to achieve the objectives
- **Timeframes** for implementing actions
- **How** the objectives and actions will address the most significant risks identified in the risks assessment
- **Indicators to measure progress** and enable regular monitoring and reporting by the Commission.





### Information request under the Climate Change Response Act

Summary of all responses (56% response rate)



Risks and impacts	Risks of most significance	Support and resources
<p>85% of respondents consider how climate change impacts their ability to carry out their functions, whether that developing policy or delivering services:</p> <ul style="list-style-type: none"> <li>Of this 85%, 83% indicated they only partially understand and document these impacts.</li> </ul> <p>76% of respondents have access to some form of data related to the impacts of climate change.</p> <ul style="list-style-type: none"> <li>Of the respondents who have access to climate impact data, 30% hold this at the <b>regional, local and asset level</b>.</li> </ul> <p>36% of respondent indicate they have used this data to develop plans or strategies to manage the impacts of climate change.</p>	<p>The risks of most concern from the National Climate Change Risk Assessment were identified as:</p> <ul style="list-style-type: none"> <li><b>B1</b> risks to buildings (72%)</li> <li><b>H1</b> risk to social cohesion and community wellbeing (66%)</li> <li><b>N1</b> risk to coastal ecosystems (70%)</li> </ul>	<p>Priority actions or resources that could better help local government prepare for the impacts of climate change were identified as:</p> <ul style="list-style-type: none"> <li>tools to help quantify impacts from climate change (79%)</li> <li>guidance on how to assess and consider the impacts of climate change on an organisation (75%)</li> </ul> <p>Barriers to effective adaptation action were identified as:</p> <ul style="list-style-type: none"> <li>lack of awareness/education of impacts of climate change by decision-makers/the wider community (60%)</li> <li>lack of tools/methods by which to engage decision-makers/the community (49%)</li> </ul>

### Information request under the Climate Change Response Act

What we heard from local government (78% response rate)

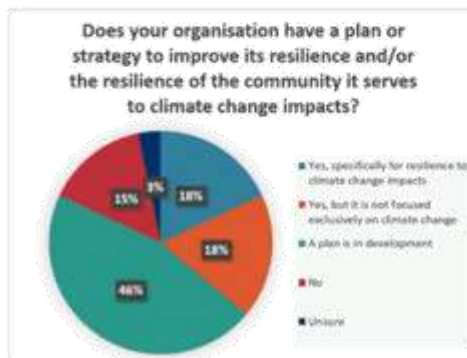
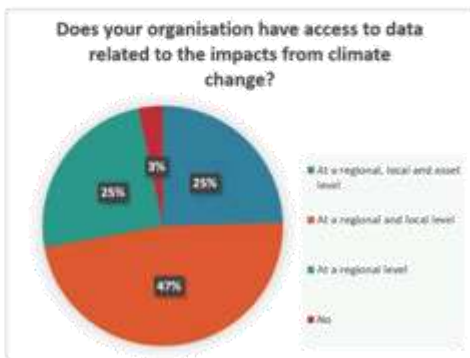


For local government agencies, the risks of most concern from the National Climate Change Risk Assessment included:

Natural	Human	Economy	Built	Governance
N1 Risks to coastal ecosystems, including the intertidal zone, estuaries, dunes, coastal lakes and wetlands, due to ongoing sea level rise and extreme weather events.	H1 Risks to social cohesion and community wellbeing from displacement of individuals, families and communities due to climate change impacts.	E1 Risks to governments from economic costs associated with lost productivity, disaster relief expenditure and unfunded contingent liabilities due to extreme events and ongoing, gradual changes.	B1 Risk to potable water supplies (availability and quality) due to changes in rainfall, temperature, drought, extreme weather events and ongoing sea level rise.	G1 Risk of maladaptation across all domains due to the application of practices, processes and tools that do not account for uncertainty and change over long timeframes.
N2 Risks to indigenous ecosystems and species from the enhanced spread, survival and establishment of invasive species due to climate change.	H2 Risks of exacerbating existing inequities and creating new and additional inequities due to differential distribution of climate change impacts.	E2 Risks to the financial system from instability due to extreme weather events and ongoing, gradual changes.	B2 Risks to buildings due to extreme weather events, drought, increased fire weather and ongoing sea level rise.	G2 Risk of exacerbating impacts across all domains because current institutions, legislation, decision-making frameworks, funding mechanisms are not fit for climate change.

### Information request under the Climate Change Response Act

What we heard from local government (78% response rate)

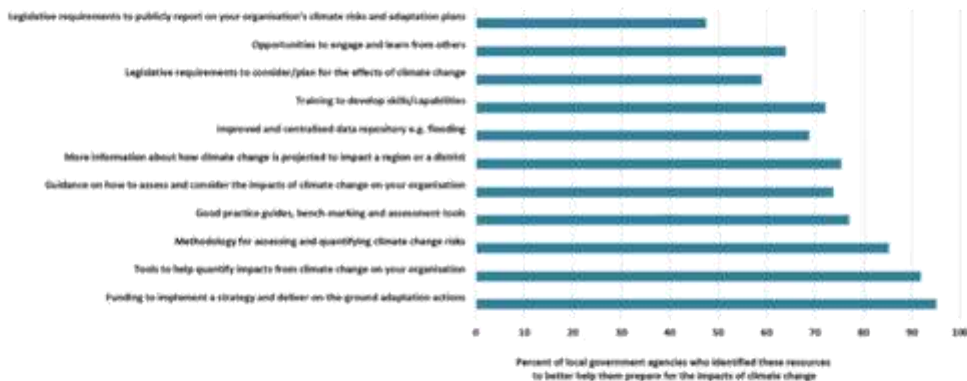


### Information request under the Climate Change Response Act

What we heard from local government (78% rate)



Actions or resources that would help your local government better prepare for the impacts of climate change were identified as:





## Resource management reform: a once in a generation opportunity



### Review of the system

- Led by former Appeals Court Judge, Tony Randerson QC
- Expert Panel engaged widely over issues and option
- Made over 140 recommendations
- Produced a platform for reform .

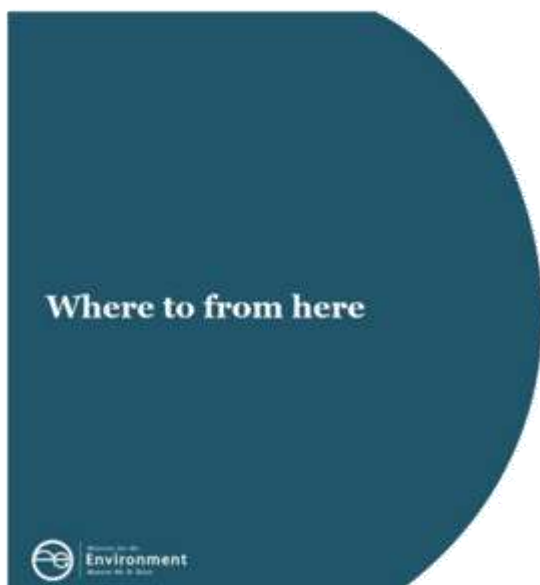
### Reforming the system

- The Government announced the repeal of the Resource Management Act on 10 Feb 2021
- Three new laws to be enacted
  - Natural and Built Environments Act
  - Strategic Planning Act
  - **Climate Adaptation Act.**

## Climate Adaptation Act



- Support New Zealand's response to climate change
- Address complex legal and technical issues associated with managed retreat and funding and financing adaptation
- MfE will be undertaking targeted engagement over the coming months.



**Upcoming engagement opportunities:**

**Phase one: Targeted engagement**

- Online webinar and workshop series

**Phase two: Public consultation**

We will be running consultation over the next year:

- Quarter 3 2021 - emissions reduction plan (TBC)
- Early 2022 – National Adaptation Plan

**Schedule of engagement**



Event	Type	Date and time
ERP – how can government and local government work together to enable outcomes and successfully reduce emissions	Workshop	Today, 2pm-4pm
ERP and NAP overview (same content as today)	Webinar	Thursday 8 July, 10am-11am
NAP – Actions needed to address risks	Workshop	Thursday 15 July, 10am-12pm
NAP – Actions needed to address risks	Workshop	Thursday 22 July, 10am-12pm

- If you have any further pātai or require additional information, please contact [adaptation@mfe.govt.nz](mailto:adaptation@mfe.govt.nz)



### Climate change litigation risk for corporate entities

A Dutch Court has recently ruled that Royal Dutch Shell (Shell), due to its global reach, is partially responsible for global climate change. The Court ordered Shell to reduce the carbon emissions that it is responsible for, including in its value chain.

This is a significant ruling. Up until now, for a range of reasons, large emitters have not been found liable in climate change cases. It is perhaps a signal for other "carbon majors" that legal links can be drawn between their actions and the effects of climate change. Simpson Grierson have written a short summary of what has happened, the significance of the decision, and how it relates to New Zealand.

#### The Shell decision

The Dutch Court ruled that Shell, as a group, must cut its carbon emissions (including by making appropriate decisions in relation to the energy package offered to end-users) by 45% as against its 2019 levels by 2030. The Court found that Shell must reduce its emissions in order to meet its obligation to comply with a standard of care it owes to people in the Netherlands. There were three key drivers to this decision; the Dutch civil code, the size of Shell's emissions (including by supply to end-users) and the clear link to climate change impacts, and the effect these emissions had on international human rights, including the right to life.

#### Significance of the decision

The Court's ruling is significant for two reasons:

- The ruling is the first time a major corporation has been ordered by a Court to take steps to meet specific emissions reductions. No doubt, it will feature prominently in future arguments of claimants in the more than 40 ongoing climate cases worldwide against carbon major companies.
- To do that, it extends the developing new tort in the climate field, based on a government or emitter's duty of care. Shell is in the same vein as *Urgenda v The State of the Netherlands* (Supreme Court of the Netherlands), and the Australian case of *Sharma v Minister for the Environment* (released a day after the *Shell* ruling). In *Urgenda* and *Sharma* the courts found their respective governments owed a public duty of care, imposing obligations to avoid harm caused by the future impacts of climate change. The Dutch ruling extends this duty of care to a corporate entity.

#### What does this mean to New Zealand?

The *Shell* decision will be welcomed by New Zealand climate change claimants. Recently, the High Court refused, in the case of *Smith v Fonterra Co-Operative Group*, to strike out a potential new common law claim against the corporate defendants, arguing that there is the potential for such a tortious duty to exist. *Urgenda*, *Sharma*, and now the *Shell* decision, all support the idea of a new tortious duty being better established.

Whether these decisions will increase the chances of success for a claim in negligence in New Zealand is unclear. In *Smith*, the Court struck out claims of negligence due to a lack of policy factors supporting a duty of care and a lack of connection between emissions and harm caused. The *Sharma* and the *Shell* decisions place more weight behind potential liability of carbon major emitters for their contributions to climate change.

**Impact on litigation risk**

Simpson Grierson consider these decisions to further increase the risk of litigation being brought against New Zealand companies that might be targets for this type of litigation. Directors should be alert to the extent to which climate change litigation and the related reputational damage (whether the claim is successful or not) should feature on their risk registers and what steps should be taken to mitigate this.

However, whether these cases materially increase the chances of litigation succeeding in New Zealand Courts is unclear. The upcoming decision in *Smith* remains the most important decision on the horizon in New Zealand.

The other point of note in the *Shell* decision was the company's climate policies, or lack of follow-through on them. Shell was being held to account for its own commitments. Care should be taken by companies when describing their commitment to make emissions related changes. Shell's own publications and policies were canvassed extensively in the Dutch Court and Shell was held to account partly based on its own recognition of international human rights. Companies must be aware that although they may express actions and policies as progressive, they may be measured by the courts against these targets and their real impact. As with any public representation, companies and their directors should be very clear about what they are committing to and ensure they have the resources to follow through.