

# Comments on *Our Climate Have your Say: Discussion Document*

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## Introduction

1) I would like to congratulate the Government on its intention to enact a Carbon Zero Act. I particularly support the reasons given in the message from the Minister which frames that intention around the climate changes that are already being experienced and that will get worse, and the opportunities that emissions reductions will bring in transitioning New Zealand to a net-zero carbon economy.

2) Climate change is fundamentally an economic and social issue affecting all New Zealanders, all sectors and all levels of government. Reducing our emissions is therefore important in the interests of present and future generations. I will leave the detail of how this might be done to other experts in that field, except to say that I endorse the need to have targets enshrined in statute, performance accountability mechanisms, and in particular using the UK model of an independent Climate Change Commission with powers to hold to account those implementing the policy by reviewing and reporting achievement of emissions reduction.

3) My reasons are based on my experience as a public policy analyst for many years at central government and for local government, and now as a researcher in the field of climate change impacts and adaptation and related institutional issues. This background has led me to observe that;

- Climate change policy has failed to date to reduce our emissions
- The partisan approach taken to date has led to unnecessary tensions between interests and to policy flip-flop
- The 3 year political cycle acts as a barrier to sustainable emissions reduction

The impact of these failures have been;

- Our emissions have gone up significantly over the last 3 decades, rather than reduced
- The development of robust policy has been illusive and confused
- Policy uncertainty that affects efficiency and national risk management

- Lack of preparedness as the impacts of climate change have set in, which has been largely foreseeable and is proving costly in financial and social terms

4) These observations lead me to conclude that we need a cross-party approach that Parliament can endorse and sustain through time, and a specific mechanism to join in partnership with local government for both emissions reduction, and adaptation to the impacts of the climate changes. Without statutory mechanisms in place, policy failure will continue, costs of the impacts of climate change on NZ will continue to rise with cascading impacts across the economy and society leaving the most vulnerable to be affected disproportionately.

### **Linking mitigation and adaptation to achieve policy congruence**

5) Linking emissions mitigation to adaptation is essential for three very good reasons.

- a) An emissions reduction strategy and its statutory enactment will affect the rate of change and the magnitude *in the future* and is only a small tilt to global emission reductions. The benefits for NZ will primarily be that we are prepared for the global transition to a net zero emissions future. This will enable NZ as an open economy to reap the benefits of this shift. However, this is only half of a climate change policy response, albeit an important one.
- b) The twin of emissions reduction—adaptation, provides a more immediate benefit, because reducing emissions from today will have little effect on the impacts of climate change already entrained in the atmosphere and that have yet to do their damage. In addition, the impacts of climate change are already being experienced from earlier global emissions. This means that coherent and effective adaptation strategies are urgently needed *now* in anticipation of this adaptation gap.
- c) A well thought through framework and actions are with the Government currently in the form of the Climate Change Adaptation Technical Working Group's Stocktake and Recommendations, which I Co-Chaired. One could argue that getting those policy settings embedded in statutes with strong performance leverage through transparent review and reporting, has an equal (if not higher) priority right now than NZ's plan to reduce emissions.
- d) Emissions mitigation and adaptation are inextricably linked. Either can influence the effectiveness and therefore achievement of the other. Some examples will illustrate this.
  - e) Planting trees for sequestration purposes in areas we know will get drier in the east of NZ will elevate fire risk and pathogen management, increasing the adaptation gap and forest maintenance costs which will impact on forest owners and have the potential to

create future liabilities to the then owners of the forests. There is also an increased energy consumption burden (if fossil-based) from forest harvesting.

- f) Planting trees for sequestration AND erosion control purposes on steep slopes where increased frequency of high rainfall events occur, will also increase management costs to forest owners. If slash and logs are left on such slopes, the flow-on effect to the social and economic burden to taxpayers and ratepayers will be high, as witnessed recently on the east coast.
- g) Using irrigation as an 'adaptation' in areas getting drier is flawed because competition for water will intensify in such areas and potentially create stranded assets within the primary sector AND increased energy use (if fossil-based) will elevate emissions further.
- h) Some adaptations can increase emissions e.g. pumping of water as seas rise (if fossil-based); raising roads in the face of sea level rise (embodied energy in road materials).
- i) New Zealand is embarking on a major increase in house-build and there are emissions and adaptation implications of this strategy that need to be thought through in the context of emissions and adaptation (embodied carbon; location with respect to groundwater, sea levels and flood plains).

6) These examples show that the foreseeable and avoidable costs of policy incongruence could be addressed if mitigation and adaptation are dealt together with the same policy and implementation levers. The levers proposed for mitigation ensure adaptation can also be implemented using transparent accountability mechanisms for both. I therefore support the inclusion of adaptation within the proposed Climate Change Commission (CCC) *at the beginning when it is set up*, as the means of avoiding further perverse outcomes developing that create liabilities and potential for risk transfer to current and future generations. This would create a long term stable policy environment for climate change mitigation and adaptation. We need both policy areas working together.

### **Adaptation in the Carbon Zero Act**

7) This submission will focus now on the questions around adaptation. The DD rightly points out the following which I endorse as a matter of urgency.

*Even if we can reduce greenhouse gases globally, some climate change is already locked in and we will need to adapt. The Bill could help decision-makers manage climate change risks in a systematic way. The Bill could require the Government to develop national adaptation plans that prioritise actions based on regular risk assessments. **We also want to explore whether a targeted adaptation reporting***

***power might be set up. This could see some organisations share information on their exposure to climate change risks.***

In my mind it is not *whether* a targeted reporting power is set up, but *how* it can be set up within the Climate Change Commission functions in a way that creates the incentive for adaptation to be undertaken in an anticipatory manner.

8) We know that there has been reluctance to embark on systematic adaptation action right across NZ, even in the face of disruptive impacts already occurring that have significant associated costs under *current climate*. The *future climate* will not be like the past—it is changing in negative ways that will become hard to adapt to if we don't develop strong policy interventions now. This will only get worse.

9) We also know that action is unlikely any time soon unless there is a lever to manage these risks. Experience tells us that we have been muddling through by trying inefficiently to navigate statutes that are not 'fit for purpose' for risk reduction, and without a national plan and leverage to make it happen. The opportunity afforded to get adaptation on the road via a Climate Commission should not be lost. Leadership on this matter is needed urgently.

10) The DD makes the case for 'a robust, transparent lasting framework' all reasons that support adaptation action being leveraged through similar review and reporting arrangements as for emissions reduction. The rationale for emissions reduction also apply to adaptation.

11) It is in this context, that there is an urgent need for the removal of barriers to adaptation implementation on the ground. Enabling this to happen through the supporting policies in the CCATWG recommendations comes with a responsibility to perform and to provide communities with the certainty that climate change impacts are dealt with in a long-term sustainable way and equitably. This is where the CCC comes in by providing an independent review and reporting on their performance, with central government undertaking the National Adaptation Plan and Risk assessment undertaken closely with local government who are at the sharp end of action.

12) Without *mandatory monitoring, review and reporting on adaptation* in the Zero Carbon statute NZ will struggle to achieve effective measures that can reduce exposure to climate changes. This has been found in the UK context where the CCC does not have powers that make reporting mandatory. Accordingly there has been weak buy-in by sectors to adaptation to climate changes. There is no reason why in a small nation like New Zealand, we cannot have an accountability system set up within the CCC that applies across all sectors and all levels of government. The National Adaptation Plan and Risk Assessment become critical in setting the framework for this to be implemented.

13) The DD lays out options for the CCC. For the reasons above I support the option that gives the CCC advisory powers with mechanisms that hold government at all levels and sectors to account which would include adaptation report powers.

14) With respect to expertise the CCC should also have expertise in impacts and adaptation science which appears to be missing from the candidate list on page 45 of the DD.

15) With respect to scope scale and content of the national climate change risk assessment and national adaptation plan the recommendations of the CCATWG are a good starting point. The canvas should be wide to identify the key risks in the first instance guided by the nature of the problem including slowly emerging impacts such as sea level and groundwater rise; increased frequency of heavy rainfall; drought; changes to biosecurity and biodiversity; health impacts and the flow on effects of these climate change impacts particularly the compounding of multiple hazards and the cascading impacts through society and the economy; vulnerability of those least able to adapt. An important consideration of risk assessment is risk to our institutions and organisations ability to cope with more frequent compounding and cascading impacts that leave little adjustment time. There is also a need to consider the relative roles between central and local government in the national adaptation plan. An enduring partnership is required for adaptation to be effective. Transparent reporting by local government on its performance and effectiveness of adaptation action is essential. This reporting could also be to the CCC for reporting on the national plan.

16) The National Plan should be developed by Government with local government and the various sectors. This is not a government of the day plan of action, rather it is a NZ adaptation plan with buy-in by all relevant parties. The Risk Assessment requires experts to prepare using robust methodologies that cover physical and social risks. Development of the methodologies is best undertaken by an expert group. This could either be undertaken by the CC or by a Government appointed group with input from key interests to reflect the breadth of risks. The UK experience was that it was first started by government but is now done by the CCC. My understanding is that government didn't have the expertise to undertake the risk assessment so it was commissioned by the UK CC and then provided a basis for the National Adaptation Plan. We might learn from the UK experience here.

17) There is some urgency in New Zealand progressing a national risk assessment so the methodology needs to be developed as soon as possible. Delaying the development of a national adaptation plan implies that a tiered approach to risk assessment would be useful. A first pass extending the work done for the PCE 2015 by NIWA to other climate hazards and to other sectors would provide the basis for a first pass national adaptation plan. This would continue the momentum gained through the

CCATWG work and motivate attention to the key risks and how they can be addressed. These could then be reviewed, reported and progress assessed for a second more targeted and more detailed RA and NAP could be done in a second round.

18) This approach would also motivate fixing the current barriers to adaptation such as incongruent policy and legislation as outlined in the CAATWG Stocktake and Recommendations. The ground work has been done to kick start adaptation so long as the statutory levers are in place through the CC.

19) A distinction needs to be made between the CC review and reporting powers which are needed to hold government and sectors to account on the one hand, and the adaptation reporting powers discussed on page 50 of the DD. The latter appears to be like the current regulatory impact statements required in cabinet papers. We need both to adequately motivate consideration of consideration climate change impacts and implications and thus motivate adaptation. The answers to Q 14/15/16 are yes/ yes plus the comments made in this submission/ yes as long as it is in addition to the CC having powers of review and reporting.

20) In conclusion, mitigation and adaptation actions by governments and sectors affect each other and both need to be independently assessed periodically for progress and effectiveness, using the same monitoring, review and reporting approaches. This will create a more stable policy environment and greater certainty for those addressing climate change. A long-term cross-party commitment to adaptation planning and action is required urgently. Decisions are being taken now on spatial planning, location of urban developments, and associated infrastructure that create large and costly lock-in effects. This will make adaptation actions difficult to implement. A mandatory statutory architecture as set out in the DD will bring greater decision efficiency if adaptation and mitigation are within the powers of the CCC through advice, monitoring and review of a national adaptation plan and risk assessment. It will enable agencies to be held to account, thus providing leverage for adaptation action.